Daily Report

Latin America

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FBIS-LAT-90-186 *25 September 1990*

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Finance Ministers Comment on Third World Aid

FL2109144590 Bridgetown CANA in English 1348 GMT 21 Sep 90

[Report by Reudon Eversley]

[Text] Port of Spain, Sept 21, CANA - Finance ministers of the Commonwealth, comprised largely of developing countries, have identified at least five major issues for presentation at next weeks's joint meeting of the World Bank and International Monetary Fund (IMF) in Washington, according to a senior Commonwealth official. The issues range from a need for increased aid flows from the developed to the developing countries, assurances that increasing flows of Western aid to the newly democratising countries of Eastern Europe will not be at the expense of the Third World, to the importance of greater attention to be paid to lessening the social costs of structural adjustment programmes in the Third World, said the new Nigeria-born Commonwealth secretary-general.

Chief Emeka Anyaoku, speaking to reporters Thursday night after the finance ministers ended a two-day meeting here, said Commonwealth countries will also call for major progress in the current Uruguay Round of World Trade Talks, especially in respect of the liberalization of agricultural trade, clothing and textiles, and cite a need for more funds to be injected into the International Finance Corporation (IFC).

The IFC, a United Nations organisation established in 1960 to complement the World Bank, provides finance for private industrial undertakings, especially in less developed countries. Besides increasing the resource base of the IFC, Commonwealth countries also hope the institution will be encouraged to play a more active role in small member states.

The annual Commonwealth finance ministers meeting, chaired this year by Trinidad and Tobago's Finance Minister Selby Wilson, provides an opportunity for member countries to exchange views on major global economic issues ahead of the annual meeting of the World Bank and IMF, pillar institutions of the post-war western economic system.

In respect of aid, the ministers noted that amounts were stagnating as the need was rising. They called on Western donor countries to renew efforts at raising their Official Development Assistance (ODA) budgets to the agreed United Nations target of 0.7 per cent of their Gross National Product (GNP), the end-of-conference communique said. They also called for more aid to be given in the form of grants.

The ministers also recommended reforms in aid provided by the World Bank and IMF. The World Bank was urged to pay greater attention to the differences in social and economic conditions between countries in the design of aid programmes and performance criteria. The IMF was urged to pay greater attention to the needs of the poor in the design and implementation of structural adjustment programmes. In this connection, the ministers asked the Commonwealth secretariat to prepare a report on what improvements could be made to lessen the social costs of structural adjustment programmes, which have repeatedly been criticised throughout the developing world for ignoring the plight of the poor.

The Trinidad and Tobago finance minister who chaired the meeting at the heavily-guarded Trinidad Hilton said the ministers also stressed the need for a review of conditionalities and eligibility in respect of aid from both multilateral institutions. He suggested, however, that there was no alternative to structural adjustment available to developing countries for enhancing their economic prospects.

"We know that adjustment carries some downside risks... but we also know that without an attempt to adjust our economies, we become increasingly more isolated from the influences and cooperation of the international community," he told reporters.

The conference dealt at length with the Third World debt crisis and heard new proposals from Britain for easing the debt burden of the poorest nations. Under the so-called Trinidad Terms put forward by Chancellor of the Exchequer John Major, Britain is urging other Western donor countries belonging to the Paris Club to double debt relief to developing countries when rescheduling official loans, grant an extended repayment period of 25 years, and capitalize interest payments.

"We believe that this is in keeping with our own philosophy in Trinidad and Tobago that greater attempts must be made to bring debt forgiveness to the highly indebted countries, and we also believe that middle income countries, such as Trinidad and Tobago, with modest levels of debt should also be included in any of these initiatives," Wilson said.

"We therefore feel confident that by this new initiative, we would again have forged another step forward in bringing to the attention of the international community the plight of middle income, moderately indebted countries."

The conference examined the possible impact of the Gulf crisis on the global economy and concluded that "timely action was needed to avert... threats to growth and development" arising out of the recent oil price hikes, particularly in the hardpressed developing world according to the communique. The Commonwealth ministers proposed the creation of a special financing facility to offset adverse effects of the oil price hike on developing countries.

Next year's Commonwealth finance ministers meeting will be held in Malaysia.

Aldana Welcomes Nonaligned Countries' Delegations

FL2409183490 Havana Radio Rebelde Network in Spanish 1700 GMT 24 Sep 90

[Telephone report by Ariel Larami]

[Text] The 11th meeting of the intergovernmental council for the coordination of information of nonaligned countries began a few moments ago in Havana's Palace of Conventions.

Speaking on behalf of Cuba, Carlos Aldana, member of the Secretariat of the Central Committee of the Communist Party of Cuba, expressed some views while welcoming the more than 87 delegations participating in the event.

Aldana said that the Cuban people are experiencing decisive times in their history, in their willingness to carry out the project they sovereignly chose. He mentioned the manipulation exerted by the multinational firms, as well as the radiophonic broadcasts from abroad that subject our philosophy and political project to question and distortion and are added to the campaigns to discredit our country.

[Begin Aldana recording] As you well know, for years we have had to make crystal clear decisions regarding the new international order on information. In this case, acting as host, we will work with all of you to reach a consensus, above all, in what we can do to reach agreements at the highest level. This will allow the development of structures and alternatives that the movement has created as a legitimate way of confronting inequality and to make our way in a world that pretends to be multipolar but is still the scene of hegemonic and interventionist actions on the part of large powers. [end recording]

This meeting precedes the third conference of information ministers that begins tomorrow afternoon.

Andean Pact Proposes Highway Projects to Japan

PY2209121490 Madrid EFE in Spanish 0838 GMT 21 Sep 90

[Text] Lima, 21 Sep (EFE)—The Cartagena Accord Executive Board reported here yesterday that the Andean Group has proposed to Japan the implementation of several cooperation projects. These projects include the constructions of highways to link the Pacific and the Atlantic Oceans.

The highway projects proposed to the Japanese investors are part of the "Los Libertadores" two-ocean corridor that will link the Port of Matarani in southern Peru with La Paz and Buenos Aires, and of the railway interconection that will join Matarani with the Brazilian port of Santos.

The projects also include the proposal to join the Caribbean and the Pacific by land through northern Colombia, which is regarded as an alternate land corridor to the Panama Canal.

The projects were submitted to Japanese Government officials and businessmen by a high-level mission of the Cartagena Accord Executive Board, which is a regional technical organization for Andean integration. The organization includes Bolivia, Colombia, Ecuador, Peru, and Venezuela. This mission recently traveled to Japan.

In a press note, the Cartagena Accord Executive Board states that the Andean Pact members are seeking Japanese cooperation to turn their ports into "the springboard for South American trade with the Pacific Ocean basin" through investments in highway networks linking the two oceans.

The implementation of the two first projects calls for the creation of new alternative transport systems between the two oceans which can help transport goods from the Andean nations, Argentina, Brazil, and Uruguay to the Peruvian industrial duty free zones and to the countries of the Pacific Ocean basin.

It is estimated that the "Los Libertadores" corridor will cost some $132 million. The two-ocean land corridor proposed to Japan is regarded as "the most feasible alternative to the use of the Panama Canal, which has generated an increasing higher cost to the Andean countries' foreign trade due to its tariff increase."

This project provides for the construction of an international port on the Cupica Gulf, on the Colombian Pacific coast. A modern electric railway would link the new port to a new similar port on the Uraba Gulf in the Candelaria Bay area on the Atlantic coast.

The Cartagena Accord Executive Board estimates that the total cost of the two-ocean land corridor will be some $2.749 billion.

The other projects, which are expected to be implemented through the Andean-Japanese cooperation, are aimed at the communication and transport areas, at the modernization of the productive and technological sectors, and at business cooperation.

According to Ivan Gabaldon and Fernando Sanz, members of the Cartagena Accord Executive Board mission, Japan showed "interest" in the projects they have submitted.

Cuba

Possible Shortages Cause Publications Cutback

FL2409130090 Havana Radio Rebelde Network in Spanish 1116 GMT 24 Sep 90

[Unattributed article: "Information to the Population: Measures Adopted in Regard to the Written Media," published 24 September on the "front pages of several Havana newspapers," read by Roberto Canela on the "Haciendo Radio" program]

[Text] In the past few days in reporting on difficulties in receiving fuel supplies, the people were informed that there may be a possibility that the problems arising from foreign supplies may force us to adopt corresponding measures in other areas of the economy. These measures can no longer be delayed in the printing industry which publishes our daily newspapers, as well as magazines and other publications.

Regarding newspapers, their printing depends completely on the import of newsprint and other supplies from the USSR, under whose technical parameters the printing industry was developed for newspaper publications. Because of the level of supplies received over the years, it was possible to have a national system of daily newspapers with four central newspapers and 15 territorial papers that respond to the needs of our social and cultural development.

Because of the uncertainty regarding the future supply of available newsprint and because of some instabilities in the supply of this paper in 1990, a deficit has been created in reference to the specific format required and, thus, the adoption of a precautionary measure has become inevitable to prevent a crisis situation from arising.

In this regard, the leaders of the Communist Party of Cuba [PCC] felt it important to use the current and future stock of paper, as well as other material resources, so that the country will have the material needed to guarantee the levels of production that we can realistically propose today in accordance with the country's general situation, at least for the rest of the year and 1991.

The objective of the decisions adopted is to do everything possible to prevent the information sector from collapsing. We also hope that the measures will be temporary and that we can count on the stabilization and normalization of paper supplies and other materials for the publishing industry.

The leaders of the PCC also discussed the current situation regarding the nation's production of the paper used to print books, magazines, and other publications. At this time, as has been reported, the nation's two paper industries are at a standstill because of a lack of pulp and chlorine, which also come from the USSR. This adds another element of vagueness and uncertainty regarding the availability of resources in the future.

In consulting with organizations and institutions that sponsor the press organs and the Union of Cuban Journalists [UPEC], the possible measures that could be applied in this situation were examined in accordance with the objective realities that exist, which, nevertheless, did not leave many options. As a result, the following measures were decided upon and they will become effective on 1 October:

1. GRANMA will be maintained as the sole nationwide newspaper Monday to Friday, with an eight-page format and its current circulation number. On Saturday, it will circulate only in Havana City, with a six-page format, with 250,000 copies printed.

2. JUVENTUD REBELDE and TRABAJADORES will be published as weeklies on Sunday and Saturday, respectively.

3. BASTION will cease to be published for the duration of the present circumstances.

4. The magazine BOHEMIA will continue to be published weekly, with a 64-page format from now on.

5. The 15 provincial newspapers will continue to be published, since they use newsprint that, because of its size, does not detract from the nationwide press media coverage. TRIBUNA DE LA HAVANA will be issued as an evening paper Monday through Friday.

6. Publication of all other dailies, magazines, and other periodicals in the country will be suspended.

When it becomes possible to stabilize the nation's production of paper, consideration will be given to the possibility of reestablishing some publications that use these supplies. This will be done while weighing the priority to be given to textbooks, scientific-technological publications, and other printed material that are required for the functioning of society.

Newsmen and other employees of the suspended media will be relocated in line with the general policy established by the government for the special period, in a manner that guarantees their employment, the adequate use of their professional talents, and the preservation of the collective groups that are being temporarily suspended.

Reporter, in particular, will be offered various options, including beefing up the media that continue to function, including radio and television, the role of which will be enhanced in the present circumstances.

In GRANMA and BOHEMIA, augmented staffs [redacciones fortalecidas] will be created for the special period. JUVENTUD REBELDE and TRABAJADORES will make the appropriate adjustments in each case. These publications, along with the rest of the press, radio, television, and cinematographic media, must assume to

the maximum extent possible, the content and topics of the media that are suspended and make an additional effort to meet our people's need for information.

Similarly, the nationwide publications that are retained, and the provincial newspapers, will complement their duties with an effort at artistic and literary information and promotion.

In preliminary discussions with the directors of the press and with the national committee of the UPEC, representing all the country's journalists, the participants expressed their readiness to face up to these unavoidable measures, and any additional measures that the country might be obliged to adopt in the future, with a practical working spirit and the determination to do what is necessary at all times.

They expressed support for these decisions and showed willingness to adopt every initiative and idea that will allow our news media to fulfill, under these conditions, their decisive role of information and guidance with even greater effectiveness.

Fidel Castro Visits Havana Province Cooperative

FL2409154590 Havana Radio Reloj Network in Spanish 1502 GMT 24 Sep 90

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba, visited the Niceto Perez Agricultural-Livestock Cooperative [CPA] and the peasant community of the same name in Guira de Melena, Havana Province. The top leader of the revolution expressed interest in the cooperative's production plans. He toured the cooperative's vineyard and tasted the delicious grapes, whereupon he congratulated the cooperative for its handling of the crop. Fidel also commented on new methods to be used in state miscellaneous products enterprises to attract more people to agricultural activities.

At the Niceto Perez CPA, the commander in chief talked with the people about measures that are being taken regarding the food plan and about the growing of plantains with the microjet system, which is expected to produce 20,000 or more quintals per caballeria.

In his tour of the Niceto Perez CPA and community, the commander in chief asked about the number of housing accommodations that are being built for workers in support of the food program in the municipality. Later, Fidel commented on the need to attract more people to agriculture, removing them from unproductive activities to bolster the nation's primary task.

The commander in chief also expressed concern over the roads and highways around the Niceto Perez community, which are used for transporting products to the capital.

Before concluding his tour of Guira de Melena, Commander in Chief Fidel Castro visited the home of one of the peasants from the Niceto Perez CPA.

More on Havana Province Visit

FL2509125790 Havana Television Service in Spanish 0000 GMT 25 Sep 90

[Text] Sunday afternoon, Commander in Chief Fidel Castro toured several agricultural areas, townships, and other places in Caimito, Artemisa, and Guira de Melena Municipalities in Havana Province. He showed interest in the progress and development of important tuber, fruit, and other food program crop programs.

Fidel visited citrus orchards in the area of Ceiba in which the microjet irrigation is used. [Video shows Fidel Castro walking through fields planted with various crops and chatting with a group of people] Up to 30 tons of fruit per hectare are expected to be produced. He also toured a banana plantation in Artemisa in which the surface microjet irrigation system is used. The province will have some 600 caballerias of bananas by the end of next year, 500 of them will have surface and air microjet irrigation system. A large increase of production per hectare and worker, and a considerable water savings will be achieved.

During his tour, Fidel assessed the solutions to guarantee an adequate and stable labor force in the miscellaneous crops programs in which the state enterprises, with 1,700 caballerias, only have 1,900 direct manual workers.

[Begin recording] [Castro] I have to visit the countryside, I do not have time. I came here to say hello. This is the Camilo Cienfuegos School, is it not? [Young people say: "Yes!"] I was told it was here, and I came to say hello. How are you? I have been here before. Let me go so I can go to work, let me go so I can go to work. [repeats] You have to let me go so that I can go to work. I am leaving. [Words indistinct]. [crowd makes noise]

[Castro, at the home of small farmer Jose Moreno Reyes and his family, identified by caption] Do the kids obey you?

[Moreno] What?

[Castro] Do they obey you? Is there discipline here?

[Moreno] Yes, yes.

[Castor] You have a tribe here. [laughter] How many live here, seven?

[First unidentified speaker] For us the children, this is our house.

[Castro] You come here every day.

[First speaker] We have our own house but....

[Moreno, interrupting] Sometimes the food is very good and this and the other one are called.

[Castro] Who cooks the good food?

[Moreno] She does, she does. She still cooks. She is 87 years old.

[Castro] She is 87, how about you?

[Moreno] I am 80.

[Castro] Are you going to live until you are 120? What are your plans?

[Moreno] What?

[Castro] Are you planning to live until you are 120?

[Moreno] Well.

[Second unidentified speaker] He is in good shape. See, he is in good shape.

[Moreno] A few days ago I was feeling a little sick and went to the Ceiba polyclinic, and I was treated there. I was told that I am like a little child.

[Castro] Do you go to the fields every day?

[Moreno] Yes, but I do not work any more. The kids do not let me work any more.

[Castro] What kind of exercise do you do? Exercise promotes good health. Do you walk a lot?

[Moreno] Yes, I walk around here and look over the land.

[Castro] Who has more experience in farming?

[Moreno] The oldest one.

[Castro] What kind of crop were you fertilizing?

[Third unidentified speaker] Onions, onions.

[Castro] Which do you plant, the white or pink one?

[Moreno] The pink one.

[Castro, seated inside Jeep with a group of young girls surrounding him at Parque de Alquizar, place identified by caption] Are you in school also?

[Unidentified girl] Yes.

[Castro] At the Lenin School?

[Girl] Yes.

[Castro] Then you are very good students. They are in a school that has [words indistinct] as is close to the city. When did you get here, Friday or Saturday?

[Group of girls] On Friday.

[Castro] Are you from this town or are you from....

[Group of girls, interrupting] From this town.

[Castro] How were things here today? Did you have fun? Did you go to the movies? What did you do on Saturday?

[Group of girls] We went to the dancing hall.

[Castro] What was going on?

[Unidentified girl] A party.

[Castro] There was a party? Were was the party?

[Unidentified girl] No, music at the dancing hall.

[Castro] Oh, you went to the dancing hall. How many of these students go to the Lenin School?

[Group of girls] Twenty-seven.

[Castro] This is why nobody is going to be able to take care of agriculture because everyone has turned into intellectuals. We now have to bring people from Havana here to help plant sweet potatoes. It has been a pleasure to have said hello.

[Unidentified girl] It has been a pleasure.

[Castro] Say hello to the rest of the kids and also the Lenin School's students. Tell them I will visit them one of these days. Lots of success.

[Group of girls] Good bye.

[Castro, at Guira de Melena] You have 10,000 people employed here. What type of cooperation are you giving in the agriculture tasks now that we need to produce food.

[Unidentified speaker] We are mobilizing every day 150 comrades from the municipalities directorates. We have some 400 EJT [Youth Labor Army] soldiers.

[Castro] Yes, but the EJT soldiers are not from here.

[Unidentified speaker] They are not from here but we are having them join agriculture activities.

[Castro] It is not Guira's contribution to agriculture activities.

[Unidentified speaker] Some 150 people from Guira are mobilized every day.

[Castro] That is nothing. It is a shame that the agriculture enterprise has 128 workers considering that there are 32,000 residents in the city. Do you.... [changes thought] Of course, there are cooperative members and some others who are counted among .... [changes thought] Do you count the cooperative members among the workers from Guira?

[Unidentified speaker] Yes, sure.

[Castro] Are you counting them? The ones that live here?

[Unidentified speaker] They are included in the total.

[Castro] Among the ones who live here but not among the ones who work here. Among the ones who live here and work in agriculture activities. Those are the cooperative members. Who knows how many things we have invented to have 10,000 people working while we only have 128 in the some 4,000 hectares of state-owned land, I am not talking about cooperatives or private land owners. We are thinking now.... [changes thought] There

is a good disposition among the people of the capital now while we are able to establish.... [changes thought] What needs to be done is to establish and stabilize the situation by giving workers better conditions than those existing in the city and give them better salaries than those given in the city in order to find permanent solutions to this problem.

Granted, there are schools, there are rural schools and places for vacation time agricultural labor.

[Unidentified speaker] Yes, we have 11 [words indistinct].

[Castro, interrupting] That helped and helped. In the meantime, everyone else found their place in cities and found a little job but this does not solve the countries fundamental problems. The work rosters are extremely inflated everywhere. We are aware of it. This cooperative is working well. The one here as well as many more in the country. It has more labor force.

We have also helped cooperatives a lot in the construction of housing. There living conditions are better. Their members' income is higher than the agricultural laborer. We need to revise all this so that there is a stable force. Thousands of houses will have to be built. Even if we do not build a lot in many places during this period, we may build houses in strategic and key places for the production of food. I think roads are important here precisely because of the agricultural programs we are developing. We are going to mobilize people. What needs to be solved immediately is to get the necessary labor force so that the sweet potatoes, yucca, and all those fields are not overgrown with grass. And to get the yield.... [unidentified speaker's words indistinct] And sweet potatoes, yucca, bananas, and malanga.

We are going to assign a brigade from the Blas Roca Contingent to agriculture. We are going to give them 65 caballerias of bananas, and we are going to assign contingents to the microjet banana plantations. We are going to see large-scale production, with organization, discipline, and accuracy.

Construction has also been deficient, and we are going to correct that, beginning here in these provinces. I want to know where are the Havana residents are, and what they are doing. I refer to residents of Havana Province, not of the capital city. We are going to establish 50 camps in the miscellaneous crops enterprises—50 of them—and we are going to put them in good condition. We are also going to turn to the EJT. We will make 50 camps for workers from the capital. Right now, we are making 30, and later we will make 20 more.

I have just visited a microjet plantation that will produce bananas in huge quantities. Also citrus products will be produced with microjets. We have seen that a number of things have to be done to make things right here, because the workers' living conditions are poor. I mean the miscellaneous crop workers. Not enough housing units have been built. The material problems have not been resolved. These are things that have to be rectified, and that we are rectifying. [applause] [end recording]

Pan-American Games Facilities Ready by Summer '91

FL2409213590 Havana Radio Reloj Network in Spanish 1932 GMT 24 Sep 90

[Text] Jose Ramon Fernandez, chairman of the committee organizing the next Pan-American Games, has given his assurances in Santiago de Cuba that the installations will be ready for the summer of 1991, when the games are scheduled to begin. Those are necessary constructions that will promote more social development in the country; they will stay and be used by the people for the practice of sports and recreation, said Fernandez, who is also alternate member of the Communist Party of Cuba Politburo.

Fernandez stated that although there are material difficulties, the necessary efforts are being made so that the projects can be completed with the necessary requirements and quality and within the planned time frame. He added: Our games will be worthy games; they are very important for Cuba because they will show how a small country can welcome athletes from all over America and show them how much the revolution has done for the development of the country.

Hart Returns From Culture Leaders Meeting

FL2409154690 Havana Tele Rebelde Network in Spanish 1100 GMT 24 Sep 90

[Text] Cuban Culture Minister Armando Hart Davalos has returned to Havana after participating in the third meeting of Latin American culture leaders.

[Begin recording] [Unidentified reporter] How would you assess this third meeting?

[Hart Davalos] I think it is one more step toward Latin American integration and culture and I think that culture ministers are gearing their work toward the political, social, and economic objectives of Latin America. We are not separating this from the processes that are taking place in the political sphere in the Rio Group. We are not separating this from the processes that are taking place in the field of cooperation. The SELA [Latin American Economic System] and the Aladi [Latin American Association] were represented there. We discussed these problems and we will have to have consultations on some of these matters.

I consider the meeting to be one more step among all the Latin American processes toward integration. I do not consider the meeting to be separate from that process. It was part of it.

[Reporter] How was your book, "Culture in the Revolution," received?

[Hart Davalos] It was received well. There were a lot of people there who asked several questions. The book

presentation was held in the Palace of Fine Arts. About 400 people, over 300 people, went to a hall there to hear the book presentation. It was a big hall in the palace. The book is a collection of speeches that we have put together over these past few years. [end recording]

Raul Castro Speaks at Ceremony Honoring Peasants

FL2409135390 Havana Tele Rebelde Network in Spanish 1100 GMT 24 Sep 90

[Text] Army General Raul Castro, second secretary of the Central Committee of the Communist Party of Cuba [PCC], has presided over the ceremony marking the 32d anniversary of the Peasant Congress In Arms, a historic event that took place in the Frank Pais second Eastern front on 21 September 1958.

During the ceremony held in the headquarters of the [Minfar] Ministry of the Revolutionary Armed Forces [FAR], the FAR minister received from Orlando Lugo Fonte, president of the ANAP [National Association of Small Farmers], a summary of the agreements reached by the cooperative and peasant sectors in regard to the country's defense. The agreements were signed between the CPAs [agricultral-livestock cooperatives], credits and services cooperatives, and peasant associations in each defense zone. This process took place in June and the commitments adopted will take place every year.

In the ceremony, Lugo Fonte ratified the Cuban peasants' loyalty to the revolution and their willingness to confront the obstacles and difficulties that may arise, as well as to continue the efficient development of their productive tasks and to make the food program a reality.

The ANAP president added that the CPAs have been working on increasing production and progress can be seen in the production of tubers, crops, and grains. He said that they are also working on creating livestock areas using CPA construction and food resources for breeding different kinds of animals for food for themselves and to sell to the population.

For his part, Agriculture Minister Carlos Perez, who also spoke at the ceremony, said that this occasion was not a chance occurrence, but the natural continuation of a genuine revolutionary process, which opened the road to the most profound and fair agrarian change, not just in Cuba, but in all of Latin America.

In a brief discussion with those present, Army Gen. Raul Castro mentioned the role that the peasants have played in liberating the country. Throughout our history, he added, no just cause has gone without the support of our peasants.

Technical Noncommissioned Officers Hold Meeting

FL2409220090 Havana Radio Reloj Network in Spanish 1937 GMT 24 Sep 90

[Text] Division General Ulises Rosales del Toro, first vice minister of the FAR [Revolutionary Armed Forces] and chief of the General Staff, is presiding over the first national meeting of technical noncommissioned officers. This meeting is being held at the Captain Luis Alfonso (?Silva Tablada) Technical School and is being attended by noncommissioned officers from the Western, Central, and Eastern Armies. They represent the Antiaircraft Defense and Revolutionary Air Force, Navy, Special Troops, and other military units.

The FAR noncommissioned officers corps is mainly composed of young graduates from technological institutes and FAR courses. The meeting participants intend to make a critical analysis of their experiences. The strengthening of organization, professionalism, and technical and combative mastery of defense which the country needs are other goals of the meeting which will conclude tomorrow.

Libyan Delegation Arrives for Cooperation Talks

FL2409145890 Havana Tele Rebelde Network in Spanish 1100 GMT 24 Sep 90

[Text] A Libyan delegation that will participate in the joint commission meeting with Cuba arrived at the Havana airport last night. The visiting delegation is headed by Farhat Sharnanah, Libyan economy and foreign trade minister. They were welcomed at the Jose Marti International Airport by Manuel Gutierrez, acting minister president of the State Committee for Economic Cooperation, and Rafael Ruiz, Cuban ambassador to Libya.

During the meeting, guidelines will be established on bilateral cooperation for the next two years. It was reported that Cuba and Libya are interested in developing ties in the areas of health, foreign trade, and other sectors.

The joint Cuba-Libya commission will meet in Havana from 24-28 September.

Melendez Arrives in Brasilia for Trade Talks

FL2509114290 Havana Tele Rebelde Network in Spanish 1100 GMT 25 Sep 90

[Text] Ernesto Melendez, minister president of the Cuban State Committee for Economic Cooperation, has begun a two-day visit to Brasilia to examine the possibilities of increasing bilateral trade. Melendez met with (Marso Sabuja), acting foreign minister, and then with (Orestes Breiva), minister of infrastructure for energy, mines, communications, and transportation.

During his stay in Brazil, the Cuban official will also meet with Carlos Chiarelli, education minister; (Eduardo Freitas De Ceira), executive secretary of the Ministry of Finance; and officials responsible for the scientific and technical development program.

University Confers Castro Honorary Degree

FL2409234090 Havana Television Service in Spanish 0000 GMT 24 Sep 90

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers of Cuba, has been granted an honorary doctorate degree by the Tomas Frias Autonomous University located in the City of Potosi, Bolivia. The higher education center decided to confer the honorary doctorate degree on the top Cuban leader as a public testimony and in recognition of his personal abilities and historic contribution as leader of his country's revolutionary process, states the resolution on the matter. The document notes that the leadership shown in the process is a testimony of President Fidel Castro's personal dedication to the cause of justice to which the masses aspire. At the same time, it adds that the Cuban leader's personality stands out in Latin America because of the clarity of his thought and his permanent identification with the interests of the countries of the region.

Inter-Caribbean Affairs

Dominica's Charles Seeks Increased Caricom Aid

FL2409132590 Bridgetown CANA in English 1623 GMT 23 Sep 90

[Text] Port of Spain, Trinidad, Sept 23, CANA—Caribbean Community (Caricom) governments have chosen Dominica's Prime Minister Eugenia Charles as the region's main spokesman at this week's annual meeting of the World Bank and International Monetary Fund (IMF) in Washington, Caricom sources said. The choice was made during last week's meeting of Commonwealth finance ministers here. Caricom countries, through Charles, will be seeking mainly to get better terms on aid they receive from the World Bank and IMF. The annual meeting of the IMF and World Bank, which attract delegations world-wide, open on Monday in the U.S. capital.

Prior to 1988, Caricom governments made separate interventions at the major international meeting. However, by last year, they managed to advance their consensual approaches in dealing with the two multilateral institutions by having just one representative speaking for the 17-year-old economic grouping.

Trinidad and Tobago's Finance Minister Selby Wilson, who chaired the Commonwealth finance ministers meeting in which Caricom countries participated, said he was "guardedly optimistic that a more positive response" may be forthcoming from the World Bank and IMF for a better deal for Third World countries in desperate need for an increase in financial resource flows and debt reschedulings. The communique issued at the end of the Commonwealth finance ministers meeting observed that the net resource flows to developing countries had declined in 1989, even as net transfers continued to be "negative" and net disbursements of official development assistance from the industrialised countries had "stagnated."

An interim report by a group of experts, headed by the governor of the Bank of Jamaica, G. Arthur Brown, submitted to the finance ministers meeting and obtained by CANA, has noted that it was now as much in the interest of the poor, debt-ridden countries as the developed, donor nations that there be an urgent improvement in development aid and an easing of the debt burden. The report, to be completed in 1991, identifies a dozen possible ways to help the developing nations of the Commonwealth, among them:

1. The role of technological development, including ways and means to promote the transfer and effective absorption of appropriate and new technology.

2. Ways to promote multilateral approaches to international trade policy and to improve developing countries' access to world markets; and

3. Ways to secure a bigger contribution to development from an expanding private sector in many developing countries.

Among the eleven members of the Commonwealth group of experts set up last year to examine the impact of global economic and political change on the development process, were leading economists from the Caribbean, Africa, and Asia.

Aruba

Government Keeps Iraqi Tanker from Unloading Oil

FL2509122690 Bonaire Trans World Radio in English 1130 GMT 25 Sep 90

[Text] Aruba has denied permission for an Iraqi oil tanker to unload its oil. Radio Nederland says Aruba consulted with the Dutch Government at The Hague which told them that since they're still part of the Dutch realm, they're bound by the Dutch participation in the trade embargo against Iraq.

The tanker, carrying 150,000 tons of crude had wanted to store its cargo on the island.

Dominican Republic

'Terrorist' Group Said Responsible for Bombings

FL2509121690 Bonaire Trans World Radio in English 1130 GMT 25 Sep 90

[Text] Three people were killed and three others injured on Sunday [23 September] when bombs went off in Santo Domingo. A state university campus, as well as part of a public cancer clinic, sustained damage. The

bombings are said to be the work of a terrorist group intending to use them in a three-day general strike set for Wednesday. The group is protesting against the government's economic policies.

The Dominican Government has in the past week raised the price of gasoline twice, devalued the Dominican peso by 40 percent, and taken other measures which have resulted in sharp increases in the price of certain food items. The government maintains they have no choice.

* Economic Program Favors Government

90CA0116H Santo Domingo EL SIGLO in Spanish 21 Aug 90 p 2

[Text] Although the government has an overall proposal available for the elimination and rational execution of subsidies, it has thus far implemented only the portion representing savings for itself and sacrifice for the population.

This has been revealed in a document prepared by the Agricultural-Livestock Policy Studies Unit (UEPA), entitled "Subsidies in the Dominican Republic: Proposed Policies for Their Rational Execution," and completed in July of this year.

The document, commissioned by the National Council on Agriculture, contains an analysis of subsidies in the Dominican economy, their volume, allocation, and effects, among other aspects.

Their total elimination is recommended for imported products, as is their focus on specific sectors of the population, based on income level.

Also recommended is a subsidy for agricultural-livestock production, through support for a group of activities carried out by producers.

The UEPA document establishes that the government is spending 1.2 billion pesos per year to subsidize a group of products and services, but notes that this expenditure is not contributing to a reduction in the cost of living for the poorest people. Hence, it is not justified.

The study comments: "Included among those products and services is electricity, as well as the subsidy for gasoline and wheat, accounting for 70 percent of all subsidies."

It adds: "The benefits from this social policy do not discriminate in favor of the lowest income groups. They are accrued by the entire populace, with the feature that the urban and higher income segments benefit most."

These recommendations were accepted by the government and included in the so-called Economic Solidarity Pact signed a week before President Joaquin Balaguer assumed his new term in office.

In other words, prices of fuels were raised, and the wheat subsidy was eliminated. As for electric power, it makes no sense to raise the price of a service that is virtually non-existent.

Nevertheless, the other part of the proposal, the one not aimed at an immediate saving of money on the government's part, has not been taken into consideration.

That part maintains that subsidies are still necessary for the most impoverished segments of the population, and for production.

It explains prioritizing subsidies to the agriculture-livestock sector for the following reasons: because the sector can produce a high value added without depending on large imports of components and machinery; because there is a large specialized work force; because a supply of consumer goods of prime necessity is ensured; and because the income of a large proportion of the country's poor families would be increased.

The part of the proposal that has not been taken into account by the government to date makes the following statement, among others: To truly foster a heightening in the nutritional levels of the lowest income groups, a suitable method would be to grant direct subsidies, through programs that would effect an improvement in the food level among the poor.

Cited among these programs is the establishment of a breakfast provided to schools in rural zones and the poorest city districts, as well as a plan to reinforce proteins and calories at mother-and-child centers.

Also mentioned are a coupon program and backing for the distribution of food of prime necessity, through the organized commercial system; and a reduction in the cost of medicines through a subsidy, the reinforcement of the Dominican Chemical Laboratory, and the import of generic pharmaceuticals.

Subsidies for Production

The UEPA proposal also suggests subsidizing production, giving priority to the agricultural-livestock sector, especially to activities considered as critical.

Included among the specific types of action recommended are timely financing at subsidized interest rates through the Agricultural Bank for small and medium-sized food producers; maintenance of transportation and communication areas in agricultural-livestock zones; and the reinforcement of collection, storage, and processing centers for agricultural-livestock products.

Also recommended are a price support program for staple food products, backing for the parceled land infrastructure required for soil and water management, along with the promotion of modern food production technologies.

Those activities would be financed with 1.4 billion pesos per year, 500 million of which would be allocated for direct subsidies to consumers, and 900 million for direct subsidies to production.

The UEPA document establishes that the group of subsidies for both consumption and production could be totally financed with the savings generated by the elimination of the current subsidies.

To date, the government has eliminated a large number of general subsidies, but has not adopted the proposal to subsidize production or consumption for lower income sectors.

* Economic Solidarity Pact Criticized

90CA0116C Santo Domingo EL NACIONAL in Spanish 7 Aug 90 p 7

[Text] Today the Labor and People's Organizations Group described the agreement signed at the National Palace yesterday as a "government-management pact," and announced that it would meet tomorrow to debate the plan of action that it will adopt to oppose what it termed the "great insult" to the workers.

Meanwhile, the Group of People's, Labor, Peasant, and Resident Organizations ratified today the call for a strike on 15 and 16 August, announcing a work stoppage for Friday in the Gualey, Simon Bolivar, and Capotillo districts, and protest activities in the southern region.

At the same time, both the labor federations and the People's Organizations Group condemned the incidents that occurred yesterday on the campus of the Autonomous University of Santo Domingo (UASD), and the violation of the university's jurisdiction by police agents.

Labor unionists Gabriel del Rio Done and Mariano Negron Tejada, who are secretaries general of the Autonomous Confederation of Trade Unions (CASC) and the National Dominican Workers Trade Union Federation (CNTD), respectively, each explained their views regarding the labor movement and the future consequences that leaving "the workers out of context" will bring.

They claimed that the government did not take the workers' views into consideration, but rather those of management: "so much so that the one reading the document to be signed was the entrepreneurial sector."

Ramon Almanzar, spokesman for the People's Organizations Group, for his part, announced that another meeting would be held concurrently at the Caamano Foundation, at 1700 hours, while the labor federations would meet on the CASC premises at 1500 hours.

Del Rio Done related: "When we labor unionists arrived at the National Palace, the entrepreneurial sector and the government were agreed on what was to be signed."

He remarked: "We read our statement, but since everything was ready for the signing of the so-called economic solidarity pact, they paid no attention to us."

He reiterated: "We think that, in this situation, it should be called a pact between the government and management; and as evidence that everything had already been prepared, the one reading the document was the entrepreneurial sector."

He observed: "We were expecting another meeting to be held among the different sectors, considering that there were many contributions, including those from business owners, merchants, and both passenger and freight carriers."

He commented: "We cannot specify what our battle plan will be, because at tomorrow's meeting each labor federation and the People's, Peasant, and Professional Movement will submit their individual statements, to be debated jointly."

Del Rio Done emphasized: "CASC hopes that, even though no agreement was reached with the labor and people's sectors, the measure to be adopted by the entrepreneurial sector and the government will not harm the labor movement or the people."

And he warned: "Otherwise, we shall be forced to act, so as to defend the workers' interests."

Negron Tejada confirmed the fact that CNTD, like the other labor federations and the People's, Peasant, and Professional Movement, will meet with CASC tomorrow, to discuss the agreement made between the government, business owners, and a transportation sector.

He declared: "The 'government-management pact' must be given that name because the changes made in the agreement by the labor and people's movement were never considered."

He reported that, within a few hours, CNTD's top-ranking leaders would meet to evaluate the agreement signed between the government and management, so as to make their decision through their leadership organizations.

Almanzar claimed that the pact signed yesterday by the government and management was "unilateral," because "the contents can be likened to a hunger policy."

He added: "For this reason we reject it, and warn that we shall call for protest action and work stoppage, because the people cannot stand any more inflation."

Calling the invasion of the UASD campus by police agents "brutal action," he requested that the secretary of the Armed Forces, Lieutenant General Elias Wessin y Wessin, instruct the military and police to act courteously, "because, after the signing of the solidarity pact, the people and this group will call for mobilizations and protest, since the agreement is anti-people."

* Leftist Parties Oppose Economic Measures

90CA0116D Santo Domingo LISTIN DIARIO in Spanish 9 Aug 90 p 4

[Text] Yesterday the country's leftist parties rejected the economic measures ordered by the government the night before last, because they think that they will worsen rather than benefit the Dominican people's situation.

The Socialist Bloc and the Dominican Workers Party, the only two parties in this sector that will have congressional representation starting on 16 August, claim in a joint statement that "none of the demands raised by the workers and other sectors of the people and their organizations" were taken into consideration by the government.

After expressing the view that these measures "completely address the interests of the government and of high-level Dominican entrenpreneurs," they reiterated their appeal to the Dominican Revolutionary Party [PRD], the Dominican Liberation Party [PLD], and all the democratic forces, to set aside "all private interests," and engage in the creation of a "mechanism for conciliation capable of generating the mobilizing confidence of the political and social forces."

They note that the purpose of this "coordination" would be "to defeat the government's policy and impose in its place a policy that would benefit the workers, the people, and the national interest."

On the other hand, the Dominican Communist Party (PCD), the Anti-Imperialist Patriotic Union (UPA), the Dominican People's Movement (MPD), the United Left Movement (MIU), and the Resistance Force for the People's Liberation (FRLP) claim that the "slight wage increase" ordered by the government will not compensate "even minimally" for the doubling of prices of gasoline, gas oil, kerosene, propane gas, sugar, and flour, and for any devaluation, if authorized.

They say that, for this reason, it is fitting "to lend ardor and active support to the general strike called for 15 and 16 August."

They add: "We back that convocation, and call for unity around it, and around the alternate measures being espoused by the labor and popular movement under these circumstances."

The Febrerist Democratic Front (FDF), the People's Revolutionary Organization (ORP), and the Workers Socialist Organization (OST) also declared that the "disproportionate" increase in prices of fuel, items for daily use, and other fuels, will bring about a rise in the cost of both freight and passenger transportation, which will be reflected in the prices of all products for mass consumption.

In a statement signed by their leaders, Pablo Maria Hernandez, Juan B. Mejia, and Enrique de Leon, they assert that the economic adjustments put into effect by the government are totally inflationary, and will not stabilize the national economy nor surmount the current crisis.

They explain that, on the contrary, they will cause further price hikes, drive the present inflation even higher, and bring more hunger, poverty, and deterioration in the living conditions of the low-income classes.

* Balaguer Institutes Commodity Price Controls

90CA0116E Santo Domingo EL SIGLO in Spanish 13 Aug 90 p 1

[Text] With a decree issued on Saturday and published yesterday afternoon, President Joaquin Balaguer raised and froze for 90 days the prices of sugar, wheat flour, fuel, eggs, chocolate, detergent in paste and bar form, corn meal, chicken, flat and kneaded bread, and edible pastas.

Through Decree 279-90 the chief executive ordered a 90-day freeze on the prices of items of prime necessity, at levels to be set in the new resolutions from the General Directorate of Price Control, issued on the basis of the Economic Solidarity Pact.

According to the order, the 50/14 ounce box of corn meal will reach the wholesaler for 75 pesos, and the retailer, for 78 pesos; and the package will reach the consumer priced at 1.80 pesos. Previously, the package of corn meal was sold to the consumer for 1.10 pesos.

The 20/1 pound box of loose spaghetti will be sold by the producer to the wholesaler for 45.48 pesos; by the wholesaler to the retailer, for 47.76 pesos; and by the retailer to the consumer, for 2.75 pesos per pound, an amount that was previously bought for 1.90 pesos.

Flat bread (1.60 ounces) will be sold by the producer to the wholesaler for 0.24 pesos; by the wholesaler to the retailer, for 0.30 pesos; and by the retailer to the consumer, for 0.35 pesos per unit. Until the issuance of this decree, the unit sold for 0.25 pesos.

Kneaded bread (1.35/1.40) will be offered by the producer to the wholesaler for 0.24 pesos; by the wholesaler to the retailer, for 0.30 pesos; and by the retailer to the consumer, for 0.35 pesos per unit. Until last weekend the consumer was buying it for 0.25 pesos.

The 12/60 box of chocolate will be sold by the producer to the wholesaler for 283.54 pesos; and by the wholesaler to the retailer, for 294.90 pesos; and will be offered by the retailer for 0.45 pesos per unit to the consumer, who previously purchased it for 0.35 pesos.

The 72/10 box of chocolate will be sold by the producer to the wholesaler for 283.54 pesos; and by the wholesaler to the retailer, for 294.90 pesos; and the retailer will sell it to the consumer for 4.50 pesos per package of 10 units, which formerly sold for 3.40 pesos.

The producer will sell the box of detergent (paste or bar) to the wholesaler for 110.96 pesos; the wholesaler will sell it to the retailer for 115.39 pesos; and the latter will sell it to the consumer for 2.65 pesos per unit. The unit previously sold for 2.00 pesos.

The producer will sell 1,000 eggs to the wholesaler for 621.60 pesos; the wholesaler will sell them to the retailer for 655.68 pesos; and the retailer will sell them to the consumer for 0.75 pesos each. An egg was previously purchased by the consumer for 0.50 pesos. A pound of live chicken on the farm will sell for 5.42 pesos; a pound of live chicken in the market stall will sell for 5.65 pesos. A pound of processed chicken will be offered at 7.60 pesos; a pound of frozen chicken (slaughterhouse) will sell for 7.75 pesos; and a pound of frozen chicken (at the supermarket) will sell for 8.45 pesos, having previously cost 6.25 pesos.

The decree notes that, "In the case of chicken sold in the interior of the country, an additional cost of 0.25 centavos per pound is allowed."

Paragraph 1 of the order states that the companies producing the aforementioned items will sell directly to all retailers who wish to purchase their products.

The decree stipulates that violations of its provisions and of the price setting resolutions will be punished by the penalties specified in Law No. 13.

It adds that those measures will be adopted regardless of the definitive or temporary closing of the commercial or industrial establishments involved, as ordered by a simple resolution of the Price Control Directorate.

The president instructed the Armed Forces Secretariats, the National Police, the Office of the Attorney General of the Republic, and the Price Control Directorate to comply with the decree issued yesterday.

* Inflation in Cities, Towns Studied

90CA0116B Santo Domingo EL SIGLO in Spanish 22 Aug 90 p 5-D

[Excerpt] Since the beginning of the decade which just ended, the Dominican population has been subjected to intensive pressure from prices of the family food basket. During the past two years (1988-89) the inflation rate levels reached have had a real, significant impact (44.5 and 45.8 percent, respectively).

The ones hardest hit by this phenomenon: consumers, especially the low income strata, are aware of this situation.

In fact, results of the third EL SIGLO/Gallup poll show that 82 percent of the members of the upper middle class rate inflation as the principal problem affecting them. That proportion is higher among low income residents, 86 percent of whom perceive this phenomenon as the highest priority to be resolved in the immediate future.

Generally speaking, the inflationary phenomenon is viewed in a special manner from the nation's perspective. Nevertheless, it is very interesting to observe how that problem has had an impact on the various zones, regions, and municipalities; because the regional disparities will tend to become more deep-seated (or reduced) as the fundamental variables (and real income is one of them) tend to move away from or closer to those areas. [passage omitted]

The entire data base used is from an official source (the Price Statistics Section of the Central Bank Bulletin). The use of other sources was rejected, both for the periods in which the recorded inflation rates are higher than the official ones (58 percent inflation, ECLA [Economic Commission for Latin America] 1988), and for those when that rate is lower (43 percent inflation, ECLA 1989).

National Inflation

During the year which just ended, the country accumulated the highest inflation rate in its democratic existence, and also during the unstable price period that began in 1984 and resumed in 1987.

In fact, the 1989 inflation rate was at the 45.8 percent level (Central Bank). That level carried with it a growth rate of 3.2 percent, when compared with the rate recorded for the previous year (1988).

The general price levels reached during the last two years far exceed those recorded in 1984-85 (24.4 and 37.5 percent, respectively).

The elements explaining the high inflation levels in both periods differ. At the beginning of the decade they originated in the "price shock" implemented in order to "adjust" the macroeconomic variables in external accounts; whereas, in the more recent period, they had as a primary activating force the excessive level of public spending. In particular, there were levels of public investment in a sector wherein the imported component exceeded 75 percent of the amount invested (namely, construction).

With the inflationary process activated, the mechanisms propagating that phenomenon began to acquire significance. Some of them were based on a strictly economic rationale (the exchange rate, for example), and others on a combination of socioeconomic and political rationale. And for some time they were able to develop the inflationary spiral from within, causing the level to be sustained or to accelerate, regardless of whether the activating element had diminished. An example of this is the defense and/or expansion of the profit margin at one or more points (producers, wholesalers and/or retailers) in the production and distribution chain of goods and services.

This latter element, along with others that will be explained at the appropriate time, can help us to understand the considerable difference in the level and acceleration of inflation in certain regions and municipalities

where the macroeconomic analysis loses all (or much) consistency. That consistency is gained by the autonomous behavior of the agents involved in the production and distribution of goods and services.

Inflation in the Urban and Rural Zones

Since the unstable price period began (1984) inflation levels in the rural zone have been higher than or equal to the average recorded on the national level.

In contrast to the foregoing, the urban zone shows inflation levels below the national average. Consequently, the difference in the inflation rate between the two zones reflects a greater deterioration in purchasing power among rural residents than among those in the urban zone.

During the entire period in question (1984-88), only in 1988 was inflation in the rural zone slightly below that in the urban zone. This situation appears to be fleeting, given the restoration of the historical behavior reflected in the changes in the price indicators per zone during the first half of 1989 (urban 5.3 percent, rural 9.2 percent).

During the last two decades broad national sectors have recognized the existence of considerable social inequalities in the country, in which the rural zone is a leader. One of those inequalities is shown by the difference in the minimum wage. Generally speaking, that wage tends to be lower in the rural area; hence, it is obvious that the evolution of prices in that area, and particularly the critical level reached in 1988 (44 percent), has been quickly eroding real monetary income in the rural area, thereby diminishing the standard and quality of rural life.

It should be stressed that in 10 of the 13 municipalities analyzed, the greatest price pressures appear in nondurable goods, from which it may be inferred that a large portion of the food and medicine basket is what has sustained the greatest eroding impact.

What effect are the high food basket prices having on the rural residents' food intake? Is the same composition of foodstuffs being maintained, or have the elements comprising the basket been reduced? If the latter is occurring, what is its result in terms of protein, and thus on the levels of malnutrition in that zone, as well as the caloric level?

These questions can only be answered by specialized studies aimed at deepening the understanding of this problem, an aspect far exceeding the scope of this article.

Nevertheless, it is not redundant to emphasize the need for official agencies, or others specializing in the subject, to make such studies; because the deterioration is not cyclical, but rather progressive.

In fact, the inflation level in the rural zone and the nation during 1988 was twice as high as that recorded in 1984, and four times higher than that in 1986. Moreover, the acceleration in the inflation rate for the period 1987-88 was double that in 1984-85. It should also be noted that, between 1984 and 1989, only during one sub-period (1985-86) was there a slowdown in the inflation rate, which contributed to a lower level in the rate for the last year in comparison with the first. Paradoxically, in the rural zone the decline was 50 percent less than that in the urban zone. When there are "benefits," the rural zone receives fewer.

A comparison of the results of the third EL SIGLO-Gallup poll with the inflation rates recorded by zones shows a two-pronged relationship between the priority perception of the inflationary phenomenon and the levels recorded in the zone.

In fact, the largest proportion of persons (88 percent) viewing the inflationary phenomenon as the principal problem reside in the rural zone, while the proportion in the urban zone is smaller (84 percent). Consequently, the ones experiencing the greatest impact give a higher priority to the principal nature of the phenomenon. Based on zones, the problem is rationalized depending on the seriousness of the impact. [passage omitted]

* July Revenues Increase to 630 Million Pesos

90CA0116A Santo Domingo EL CARIBE in Spanish 21 Aug 90 pp 1, 4

[Text] The country's national revenues during July totaled 629,553,076.00 pesos, 84,246,906.14 of which was invested in the agricultural-livestock, irrigation, and energy sectors.

The data appear in a report from the National Budget Office on the state's income and expenditures during that period.

Following is the text of the report:

"The National Budget Office, in the interests of keeping the public duly informed on the total amounts comprising the state's income and expenditures pertaining to July 1990, informs the public at large on the details relating to budgetary activity.

"The national revenues during the aforementioned period amounted to 629,553,076.00 pesos, whereas the income from external funds for investment spending totaled 14,984,209.00 pesos, and the investment without external funding was approximately 346,898,806.85 pesos.

"The agricultural-livestock, irrigation, and energy sectors benefited from the sum of 84,246,906.14 pesos. In particular, the National Institute of Water Resources (INDRHI) received the sum of 41,731,881.02 pesos for the construction and supervision of the Jiguey-Aguacate dams, as well as for canal construction and repair and maintenance on other dams.

"The Dominican Electricity Corporation (CDE) received appropriations totaling 20,927,976.29 pesos to meet various commitments and for the energy system's rehabilitation and distribution project.

"The Dominican Agrarian Institute (IAD) received 7,040,038.00 pesos for the execution of various projects; while the Special Fund for Agricultural Livestock Development (FEDA) obtained 804,951.50 pesos to intensify the programs supporting peasant settlements and to be used for other relevant purposes. The Cruz de Manzanillo project received 148,490.00 pesos for the planting of various agricultural crops; and the State Secretariat of Agriculture was allocated 10,143,570.00 pesos to promote and increase agricultural production.

"The National Institute of Drinking Water and Sewerage obtained the sum of 15 million pesos, for the implementation of various works projects.

"The Central Bank of the Republic received 138.2 million pesos for payment of the public debt. The Santo Domingo Water Works and Sewerage Corporation benefited from 14,868,257.88 pesos for the construction of the Valdesia-Santo Domingo water works.

"Finally, the State Secretariat of Public Works and Communications received appropriations totaling 72,205,649.11 pesos. The Office of State Projects Supervisory Engineers received 27,460,407.46 pesos; and the State Projects Coordination and Inspection Office recieved seven million pesos for the execution of projects and programs of social and economic benefit throughout the entire republic. The latter include housing projects, airports and ports, free trade zones, water works, sanitary sewerage, highways and local roads, and the maintenance of streets and historical monuments."

* Price Controls Viewed As Failing

90CA0116F Santo Domingo LISTIN DIARIO in Spanish ECONOMICAS Section 15 Aug 90 p 1-D

[Excerpt] The advisor to the Santo Domingo Association of Businessmen, Domingo Luzon, described the price hikes ordered by the government for certain items of prime necessity as "very tough," expressing doubts concerning the success of the price freeze.

The experienced businessman remarked that everyone in the country knows that the price freeze is not working, and represents nothing more than good intentions to protect consumers.

When interviewed about the measures adopted by President Joaquin Balaguer's government, Luzon commented: "The measures taken by the government really worry me more than anything. The increases are very tough, and the people won't be able to stand them."

He added that the compensatory measures adopted by the government come nowhere near reality, because a laborer or employee would spend the 30 percent raise in his pay on transportation to his work place.

He noted that increases stemming from the government's adjustment measures must be not be viewed as solely limited to products where the government has raised prices, but rather as including thousands of items associated with the lives of Dominican consumers.

Luzon pondered: "I wonder how someone earning 600 or 700 pesos a month, or the unemployed person without fixed wages, will be able to survive."

The advisor to the Santo Domingo Businessmen's Association regarded the decision to freeze prices as a very poor one, because that measure has always been a "total failure" here.

He claimed that many of the items had their prices frozen before the official measure, because the people could not purchase or consume them as a result of the poverty afflicting them.

Luzon observed: "If the government doesn't increase from 50 to 60 percent, and the private sector, to at least 75 percent, the working class won't be able to alleviate some of its most urgent necessities, because a lesser increase would never prove compensatory." [passage omitted]

* Food Prices Continue To Increase

90CA0116G Santo Domingo EL NACIONAL in Spanish 17 Aug 90 p 5

[Text] A large number of products in the daily diet underwent price increases today ranging from 20 to 45 percent, while kneaded and flat bread prices rose from 25 to 60 centavos in all of the capital's bakeries.

Bakery owners who were queried explained that they had stopped selling those types of bread because, although the government set their price at 35 centavos, flour prices have risen 100 percent.

Meanwhile, the so-called sandwich bread, a package which used to be priced at 12 pesos for the large size and six pesos for the medium, underwent hikes of 24 pesos and 12 pesos and 25 centavos, respectively.

Moreover, the price of special kneaded bread rose from 60 centavos to one peso, while that of butter bread, previously sold for 25 cents per unit, now costs one peso for three units.

On the other hand, "Rica" milk formerly selling for five pesos experienced an increase to six pesos; while various juices of the same brand cost 2.50 pesos for the medium, and five pesos for the large size.

The bakery owners also explained that, as a result of the energy situation and the lack of firewood, coal, and flour, they are experiencing serious difficulties, because they have to pay their employees' wages with a deficient production that does not cover their operating costs.

Consumers criticized the price hikes for different types of bread, claiming that the size of the product is not commensurate with the excessive increase applied to it.

They explained that, in view of the lack of kneaded and flat bread, they would resort to sandwich bread, but noted that the astronomical increase that it has undergone would force them to stop eating bread entirely.

Dealers also suddenly raised cigarette prices, which increased from five to seven pesos, while beer prices were raised to 10 pesos.

Prices of other products such as butter and cheese had unwarranted increases, both in grocery stores and supermarkets, and in the so-called "delicatessen" establishments.

The price situation in supermarkets has degenerated into chaos, because prices of food for basic consumption have been rising daily.

Milk from INESPRE [National Institute of Price Stabilization], which had become a major ally for housewives who were unable to purchase powdered milk owing to its high price, "is also conspicuous for its absence" in most commercial establishments.

Business leader, Domingo Luzon, claimed that the principal farm products are now posting price hikes ranging from 20 to 45 percent, including those of various types of beans, garlic, potatoes, onions, and rice.

He remarked that most of those items are virtually non-existent on the market, and urged the government to import some of them so as to prevent shortages within the next few days.

Luzon, who is an advisor to the Santo Domingo Businessmens Association, claimed that the shortages and the rise in prices cannot be combated with a freeze on the rates at which they must be sold, but rather with an increase in agricultural production.

He called upon the government to sell the pinto beans that the National Institute of Price Stabilization has at prices within the people's reach, to counteract the increase that has occurred in the price of red beans.

Lujon said that, at the Modelo market on Mella Avenue, a kilo of red beans was selling for 17 pesos wholesale this morning, reaching the retailer at 18.50 pesos.

He claimed that, based on those prices, a pound of red beans would be sold to the consumer for 8.50 pesos; besides the fact that none of the varieties of this product can be found.

In addition, the price of a 125-pound bag of rice rose from 250 to 275 pesos within the past few days.

This morning potatoes were selling at wholesale prices considered high, owing to the shortage of that product on the market.

A kilo of potatoes was selling for 4.50 pesos to retailers, indicating, according to Lujon, that a pound would reach the consumer for 2.00 pesos from now on.

A pound of garlic was selling for eight pesos 20 days ago; now, the price of a quintal has risen between 1,200 and 1,250 pesos. This shows that a pound will be reaching the consumer for 15 or 16 pesos.

Despite the authorities' efforts to provide consumers with sugar, it has become a virtual luxury item on the local market.

Luzon described the situation as difficult, claiming that, "The people are the ones who are suffering acutely from the crisis which has come into being with the supply of sugar."

* Japan Donates $3.2 Million for Hospital

90CA0116I Santo Domingo EL SIGLO in Spanish 11 Aug 90 p 1

[Text] Yesterday the Dominican and Japanese Governments signed an exchange of notes to implement the second phase of the Gastroenterological Disease Research and Clinic Project, involving a donation of $3.24 million (34.02 million pesos) on the part of the Asian nation to this country.

Foreign Minister Joaquin Ricardo and the Japanese ambassador in the country, Katsuhiko Tsunoda, signed the notes at a ceremony held on the premises of the State Secretariat of Foreign Relations.

A first phase of the project, with a donation totaling $6.5 million, was begun this year, with the construction of a facility in the capital's Luis Eduardo Aybar Hospital, to offer medical treatment for gastroenterological diseases. The latter rank first among the causes of sickness and death in terms of diseases in the Dominican Republic.

In addition to the building of that center, the project calls for improvement in the country's hospital care, through reinforced clinical techniques, the training of physicians and nurses specializing in the field of gastroenterology, and the promotion of epidemiological research.

At the ceremony the Japanese ambassador to this country expressed his gratification at the rapid manner in which the project is being executed, specifically, the building construction, assigned to two Japanese companies: Fujita Corporation and Sumitomo Corporation.

Tsunoda reported that the second phase of the project will go into effect very soon, with the completion of the center's construction and its provision with all the necessary medical equipment. He expects the project to be completed before the end of May next year.

The diplomat announced that his country will send Japanese specialists in the health field at the end of this year, as a type of technical cooperation for rendering services at the center under construction.

He remarked: "Since I arrived in the country in April of last year I have been attempting to foster my government's non-reimbursable economic cooperation with the

Dominican Republic further still, especially in the field of health. It is one of the vitally important requirements for the country, just as the agricultural area and increased food production are."

The ambassador expressed his desire that the Dominican Government would provide the center with good maintenance.

Haiti

President Establishes Election Security Commission

FL2409180090 Port-au-Prince Radio Nationale in Creole 1300 GMT 21 Sep 90

[Text] The Ministry of Information, Culture, and Coordination advises that, upon the decision of the provisional president of the Republic, Mrs. Ertha Pascal Trouillot, a civilian and military commission of six members has been established. It is comprised of Jean Thomas, minister of defense; Joseph Maxi, minister of internal affairs; Pierre C. Labissiere, minister of justice; Herard Abraham, lieutenant general, Armed Forces of Haiti [FADH], head of the Army; Acedius Saint-Louis, brigadier, FADH; and Fritz Romulus, brigadier, FADH.

This commission will be responsible for determining the causes of public disturbance and unrest in the country; to suggest strategies for creating an atmosphere favorable to the holding of elections; and to collect data on security measures for the normal conduct of the election process. They will also intervene directly, or through a security agency, in cases of disturbance or conflict that could threaten the political atmosphere and compromise the electoral process in Haiti.

Political Movement Leader Holds News Conference

FL2409154190 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 21 Sep 90

[Excerpts] [Passage omitted] As soon as the elections became news in Haiti, political leaders began to emerge and make speeches to gain the sympathies of the people. Among them was Louis Arnault Guerrier, former minister of social affairs in the Avril government, who presented himself as leader of the Haitian Movement for Civic Action [MACH]. This organization is not a political party like the others, according to Guerrier, but a movement with a political character, that intends to upset the status quo which has been ruining the people for so long. He plans to accomplish this by means of dialogue in a national consensus.

During a news conference held on the morning of Thursday, September 21, at MACH headquarters, 97 Lalue [also called John Brown Avenue], Louis Arnault Guerrier presented a program called "Letter to the Nation." In this letter, MACH explains that the current Haitian political crisis demands dialogue between the archaic Macoute faction and a new generation which is asking for change. The only way to resolve this crisis is by means of concerted action among key sectors, if the country wishes to escape extreme poverty and dictatorship.

Financial help from foreign countries has been a total failure, according to Guerrier, because behind economic aid are political interferences that are burying the country. Since 1986, Haitian political decisions have always come directly from the embassies, resulting in five governments in four years; a higher cost of living, with the people buried more than ever under extreme poverty in the gutter. MACH asks the embassies, on behalf of the people, to stay away for a while. [passage omitted]

Regarding the question of whether he intends to be a candidate in the forthcoming elections, Guerrier responded ambiguously, not allowing us to determine whether he will participate or not. He admitted, however, that he has political ambitions.

This conference was MACH'S first. Several political leaders, including Louis Dejoie II for the National Agricultural and Industrial Party [PAIN], Moise Senatus for the National Progressive Revolutionary Party of Haiti [Panpra], and Gregoire Eugene from the Haitian Social Christian Party [PSCH] were present to cheer this political movement. [passage omitted].

St. Christopher and Nevis

Prime Minister Simmonds Addresses UN Assembly

FL2409173390 Bridgetown CANA in English 1655 GMT 24 Sep 90

[Text] United Nations, Sept 24, CANA—St. Kitts and Nevis prime minister, Dr. Kennedy Simmonds, has called for more aid for the world's poorer countries that would enable them to protect their environment and proceed with their plans for development. In a speech to the 45th session of the United Nations General Assembly, Simmonds said that a rational approach to the environment should be taken by developing countries, one which encouraged "sustained development and environmental protection."

"Now that the industrialised countries have achieved outstanding levels of development, the environment notwithstanding, and we all share the adverse effects, they should be prepared now, to make additional resources available to developing countries for the protection of the environment while ensuring that projects designed to achieve sustainable development can proceed," he said.

Simmonds saw the need for links between industry and environmental protection that would pave the way for "improved quality of life." He added, that the environment should not be used as "a scapegoat, or as an excuse" to block the aspirations of developing nations. The prime minister criticised animal rights groups for being too eager to malign "the good name" of a country

simply because its farmers, for example, sought to protect their crops and their livelihood from destruction by animals, such as monkeys.

Simmonds said that his own country had "placed a high premium" on implementing a land use policy whose goal was increased food production, improved nutrition, and better health.

"We are striving now to diversify our formerly monocultural economy," he told the diplomats and other delegates in the general assembly's hall. "Tourism is an important part of that programme. It is clear that if our tourism industry is to grow and contribute meaningfully to the economy, then as island communities, we must protect our seas and oceans which give life to our important marine resources, and our coastal waters."

The whole issue of the environment was a major subject which could only be properly addressed by developing countries with help from the UN and industrial nations, he said.

Turning to the question of drugs, the St. Kitts-Nevis leader said his country needed more aid to help it fight abuse. Such assistance, he explained, would be used to launch educational, health care, and rehabilitation programmes designed to cut demand for illegal drugs.

"There is a need," he added, "for continued international cooperation to combat the cultivation and trafficking of these illicit substances, to eliminate the demand, to intensify efforts in the field of public information, health and education, and to develop programmes for rehabilitation."

Further on Simmonds' Address

FL2409180590 Bridgetown CANA in English 1705 GMT 24 Sep 90

[Text] United Nations, Sept 24, CANA—Decrying Iraq's invasion of Kuwait as an illegal act of aggression," [quotation mark as received] St. Kitts-Nevis has warned the UN that the Persian Gulf crisis threatens Third World economic development. At the same time, St. Kitts and Nevis prime minister, Dr. Kennedy Simmonds, told the UN General Assembly that the seizure of Kuwait by Iraq highlighted the "vulnerability," of small states.

"We are not only at the mercy of the elements, but we face the risk of being swallowed up by larger and more powerful nations," he told the Assembly.

"Our only protection against this eventuality is either the military support of friendly neighbours or the indignation and punitive sanctions of the international community."

In what has become his annual foreign policy address to the world body, Simmonds who is also his country's foreign minister, said that the Persian Gulf crisis which led to increased oil prices was having an "adverse impact" on his country's economy. The prime minister cited sky-rocketing fuel prices, an escalation in the cost of generating electricity, rising expenses to pump drinking water, increases in the costs of imports, a greater outflow of foreign exchange, and a decrease in foreign aid as examples of the negative fall-out from the crisis.

He said that the situation had developed at a time when the world seemed poised to enter an era of peace created by the lowering of tensions between the U.S. and the Soviet Union, the growing acceptance of democracy in Latin America and Eastern Europe, the tearing down of the Berlin Wall, and the unification of East and West Germany.

"This was the time," he said, "for the massive resources which hitherto were going into the production and proliferation of nuclear, conventional, chemical, and bacterial weapons of destruction, to be diverted on a grand scale into a new world war; a war on the production, trafficking, and use of narcotic drugs; a war on atmospheric, marine, and land-based pollution; a war on underdevelopment; a war on disease, illiteracy, ignorance, and poverty."

Instead, Simmonds said, the attention of the world was diverted by a conflict which was increasing "global tensions" and serving as an enemy of development.

"In the light of the present crisis, it almost seems pointless to seek to address other issues of concern to my country as well as to other developing countries," he said. "It is difficult to avoid wondering if anyone in the developed countries would be listening at this time."

Cypriot Foreign Minister on Commercial Exchange

PA2209213390 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 22 Sep 90

[Text] Cypriot Foreign Minister Yeoryios Iacovou has said that Mexico and Cyprus will soon sign agreements on educational, scientific, and cultural matters. These agreements will enable both countries to strengthen their diplomatic relations.

According to Iacovou, distance should not be a reason for not bolstering bilateral exchanges between the two countries. He said that there is a desire to increase the currently low level of commercial and economic exchange between Mexico and Cyprus.

Iacovou has said that his country is interested in increasing commercial exchange through the importation of Mexican products, mainly agricultural and fishing products. Iacovou has also said that, even though there are currently no talks about a possible agreement on petroleum matters, Cyprus would be willing to import Mexican crude if the price and delivery conditions are convenient.

The Cypriot foreign minister will end his two-day official visit to Mexico on 22 September, after meeting with Mexican Foreign Minister Fernando Solana and with the deputy foreign commerce secretary.

El Salvador

FMLN Command Issues Warning to U.S. Embassy

PA2409215290 San Salvador Radio Cadena YSKL in Spanish 1700 GMT 24 Sep 90

[Report by Rene Hurtado]

[Text] Last week the FMLN [Farabundo Marti National Liberation Front] guerrillas attacked Army positions in various sectors northwest of the capital. According to reports by Coprefa [Armed Forces Press Committee] and military sources, U.S. security guards from the U.S. Embassy in El Salvador had captured five alleged urban members of the FMLN and turned them over to the National Police. In the past few hours, however, the U.S. Embassy has denied that U.S. security guards captured five [number as heard] alleged guerrillas. A few moments ago, the FMLN issued a warning through its urban command to the Salvadoran policemen who are guarding the U.S. Embassy.

[Begin unidentified speaker recording] Here is a report issued by our FMLN General Command. It states that Salvadoran military personnel who are guarding the U.S. Embassy are considered, as of now, a military objective, because they are being repressive against students and are not capturing urban commandos, as they state. [sentence as heard] This is within the framework of one of our most intense offensives. FMLN General Command, September. [end recording]

The telephone call was made to our YSKL studios by one of the alleged FMLN urban commandos, who announced that Salvadoran security guards from the U.S. Embassy will be considered a military objective as of this date. The U.S. Embassy has announced, however, that U.S. Embassy personnel at no moment have taken part in such action. The U.S. Embassy guards did not arrest the subjects. The arrests were made by the National Police, the U.S. Embassy communique explained. The Association of University Students also explained the situation, saying that five [number as heard] members of that university had been captured by security guards of the U.S. Embassy near the university.

FMLN: Embassy, Staff Not Targets

PA2409221090 San Salvador Radio Cadena YSU in Spanish 1730 GMT 24 Sep 90

[Text] The Farabundo Marti National Liberation Front [FMLN] has termed as psychological war and lies the appeal that four alleged urban commandos captured by the National Police issued to the FMLN General Command, reportedly asking it to declare U.S. installations and interests in El Salvador as military targets. Guerrilla leader Captain Francisco Emilio Mena Sandoval said that they cannot consider the statements issued by the four men as viable, because rebel members are aware of the necessary procedures for requesting anything from the FMLN General Command. He also accused the Armed Forces of sponsoring this propaganda campaign. According to him, the Army is concerned about the U.S. attitude and its impact on the process for a negotiated political solution to the conflict.

[Begin Mena Sandoval recording] First of all, this situation has clearly revealed everything—meaning the goals sought within the psychological war being waged by the government and the Armed Forces. They want to create confusion and imply that the urban commandos are proposing something to the FMLN. I think that the situation is quite clear because the urban commandos and any other FMLN organizations have their own ways of presenting requests. I think it is important to clearly state this.

We immediately denied everything as soon as we learned about it because it involves government and Armed Forces sectors that are trying to preclude a political solution in the country. The FMLN wants it clearly understood, therefore, that there are no changes in the pledge assumed by the FMLN General Command. It has not declared U.S. Embassy officials and installations as military targets. This is simply a goal being sought in the psychological war being waged by the government and the Armed Forces. I think our people should understand this quite clearly, because there are sectors which are working to obstruct the negotiations and preclude a political solution in our country so that the war may continue. We clearly know who is working to extend the war. [end recording]

FMLN Activities During 7-22 Sep Reported

PA2409201490

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0200 GMT on 15 September broadcasts a 13-minute report on various Farabundo Marti National Liberation Front (FMLN) actions. The first report indicates that at 1200 on 12 September an Army paratroop unit disembarked on (Pilon) Hill in San Vicente Department, with air, land, and artillery support. The FMLN attacked the paratroopers with rifle fire as they disembarked, while simultaneously detonating mines. The "facist troops from the paratroop battalion" suffered 10 casualties, including dead and wounded.

At 0730 on 12 September, three members of the paratroop battalion were reported seriously wounded when they landed in a mine field near El Caracol, and that the FMLN damaged an Army helicopter in the same area. At 1145 on 12 September, the FMLN mined the Victoria Battalion's path in Villa Victoria, Cabanas Department. Three soldiers were seriously wounded, including a sergeant.

On 13 September, three Canas Battalion troops were seriously wounded when they stepped into a mine field on El Pino Hill in San Vicente. The report also notes that at 1030 on 9 September an FMLN unit ambushed a Military Detachment No. 2 patrol, using four powerful anti-tank mines. This incident took place along the

Sensuntepeque-Ilobasco Highway near Santa Lucia, Cabanas Department. The Army troops suffered five casualties.

The report adds that at 1600 on 11 September, the FMLN inflicted one casualty on the Coyoacan Battalion. At 1630 on the same day two paratroopers were wounded by mines, and at 1700 there was another paratroop casualty.

A 15 September Radio Venceremos report states that at 0620 on 14 September, FMLN columns attacked Ponce Battalion troops at the (Pomoma) sugar mill in Ciudad Barrios, inflicting three casualties on the Army.

In Chalatenango Department, at 0400 on 14 September, FMLN forces reportedly attacked troops from Military Detachment No. 1, who, it has been confirmed, suffered 11 casualties. Meanwhile, a report from the Modesto Ramirez Central Front indicates that on 13 September, FMLN columns entered Zaragoza, La Libertad Department and attacked Civil Defense forces with rifle fire and hand grenades. After 30 minutes and three casualties, the Civil Defense forces requested aerial support which, upon its arrival, machine-gunned and bombed densely populated areas. At 0830 on the same day, FMLN forces ambushed a CETIPOL [Police Instruction Center] vehicle in Loma Linda, La Libertad Department, with two mines. The CETIPOL suffered eight casualties, including dead and wounded, and the FMLN suffered none.

At 0300 on 13 September, FMLN forces were reported to have attacked troops from Military Detachment No. 3 in the hamlet of El Burro and La Joya Canton. The military troops suffered casualties and the loss of war materiel.

San Salvador Canal Doce Television in Spanish at 0300 GMT on 16 September reports the Armed Forces Press Committee [Coprefa] announcement that two guerrillas were killed during clashes with Military Detachment No. 1 in Chalatenango, and that Jose Antonio Chavarria, age 13, was killed when FMLN forces detonated a mine in the path of a military vehicle along the Sensuntepeque-San Isidro highway. Coprefa also announced that several people were wounded in San Salvador when FMLN urban commandoes attacked a group of soldiers in the San Mateo neighborhood.

Radio Venceremos, at 0000 GMT on 17 September broadcasts 15 minutes of combat reports, the first of which states that at 0830 on 15 September, FMLN forces attacked Army commando units and a Morazan Battalion company in Gualococti and San Simon. Preliminary reports indicate that the Army suffered 11 casualties, one helicopter was damaged, and another was completely destroyed.

It is further stated that other reports indicate that the Army suffered 10 casualties between 1000 and 1300 on 15 September, when the FMLN attacked a Cobra Battalion company in Anamoroz, La Union Department, and seized a number of weapons and war material. The report indicates that the Cobra Battalion was supported by two military helicopters and one A-37 airplane, which machine-gunned the densely populated combat area.

A report is read from the Anastacio Aquino Paracentral Front, which states that at 0330 on 14 September, FMLN columns staged an attack against troops from Military Detachment No. 2 along the Sensuntepeque-Ilobasco Road. The Army troops suffered several casualties and eventually fled in disarray. At 1430, the Military Detachment No. 2 troops received support from their detachment and from the National Guard, who also clashed unsuccessfully with the FMLN. The A-37 airplane that came to their support bombed and machine-gunned San Francisco and other towns. The FMLN inflicted 11 casualties on the Army, including dead and wounded, stopped traffic to distribute propaganda, and sabotaged power lines. It is reported that during these clashes, troops from Military Detachment No. 2 murdered a 10-year-old child from San Francisco.

Another Radio Venceremos report states that at 0900 on 15 September, the FMLN used mines to ambush a Navy vehicle along the coastal highway in San Vicente Department. The Navy suffered five casualties and the vehicle was damaged.

The Radio Venceremos report summarizes the FMLN's activities between 9 and 15 September as follows: 208 Army casualties, one helicopter downed, four helicopters damaged, and one O-2 light airplane and one C-47 airplane damaged. During this same period, the report states, the FMLN seized 14 rifles, one M-60 machine gun, one grenade launcher, one PRC-77 radio, 36 knapsacks, 5,000 cartridges, and other war materiel. The report also states that during this period the FMLN damaged 40 utility poles.

The report indicates that on 9 September, the FMLN inflicted 40 casualties on the 5th Infantry Brigade in San Vicente Department, and on 2 September inflicted 15 casualties on the Cayaguanca Battalion in Chalatenango Department. Meanwhile, on 13 September the FMLN inflicted 11 casualties on the CETIPOL [Police Instruction Center] and Civil Defense troops in La Libertad Department.

At 0000 GMT on 20 September, Radio Venceremos carries a three-minute report which indicates that at 1400 on 18 September, FMLN forces in La Paz Department staged an attack against a Nonualco Battalion unit in Sacatecoluca, during which one soldier was seriously wounded.

A report in the 15 September issue of San Salvador EL DIARIO DE HOY, on page 4, quotes military sources who report that at least 14 businesses were bombed on the night of 13 September by FMLN-FDR [Farabundo Marti National Liberation Front - Revolutionary Democratic Front] forces in Santa Ana Department. Three vehicles were also destroyed, and a 14-year-old girl was seriously wounded. The military sources indicated that on the previous night, unidentified individuals had

bombed several utility poles, causing a power outage in a large sector of the city. At 0300 GMT on 20 September, Canal Doce, citing a military report, states that two guerrillas were killed during clashes in San Simon, Morazan Department on 19 September, when a Military Detachment No. 4 unit launched a surprise attack on the FMLN. Meanwhile, three rebels were wounded on the same date, when FMLN forces clashed with Atlacatl Battalion troops on the slopes of San Salvador Volcano.

At 0000 GMT on 21 September, Radio Venceremos carries a four-minute segment on clashes with the Army. Starting with reports from Chalatenango Department, the rebel station reports that on 20 September at 0130, "an FMLN guerrilla unit staged a successful surprise attack on Belloso Battalion soldiers in Caballito Mountain, San Jose Las Flores Jurisdiction." As a result of the attack, they "inflicted eight casualties, counting dead and wounded." Then, at 0300 on that same day, FMLN guerrillas are reported to have "attacked the same troops on Talzate Mountain, Las Vueltas Jurisdiction," adding that they "inflicted five more casualties, counting dead and wounded." Also on that day, the Army sustained one casualty at 1330 in El Gallinero, and another soldier was shot by a sharpshooter at 1530 at Talzate Mountain, according to the rebel station.

Further reports on attacks on 20 September in Morazan Department note that "at 1130, and FMLN guerrilla unit ambushed with rifle fire an Arce Battalion group near El Botijon Mountain, Adelines Canton, Guatajiagua Jurisdiction, and two soldiers were wounded." At 1600, FMLN guerrillas ambushed an "Arce Battalion unit, near El Jagua, Pajigua Arriba Canton, Guatajiagua Jurisdiction, and one soldier was wounded." A final report from the Modesto Ramirez Central Front indicates that at 0630, FMLN guerrillas ambushed Military Detachment No. 1 soldiers in San Jose neighborhood, Concepcion Quezaltepeque. In this clash, "we inflicted six casualties," counting dead and wounded, the radio station reports.

Radio Venceremos, at 0000 GMT on 22 September carries six minutes of battle reports. "At 0135 GMT on 21 September, FMLN guerrillas staged a surprise attack on four enemy positions held by Oromontique Battalion of the 6th Infantry Brigade, in Vigia and El Faro Mountains, Jucuaran Jurisdiction, Usulutan Department," the report indicates. It goes on to add that the Army "sustained 10 casualties, counting dead or wounded." The report also lists the war materiel seized from the Army: "One M-60 machine gun, one M-79 rifle, two M-16 rifles, 1000 5.56-mm cartridges, one PRC-77 communications radio, nine knapsacks, and other war materiel."

Two simultaneous attacks were conducted on 21 September at 0330 against GN [National Guard] offices located at the Jucuapa Jail and against a GN position located south-southwest of the jail, but the radio station does not provide any casualty figure. A report from the Francisco Sanchez Front on fighting for that day indicates that the GN garrison and positions in Jucuaran were attacked from 0200 to 0500, but again no casualty toll is given.

At 1200 and at 1430 on 21 September, FMLN guerrillas fired at Bracamonte Battalion soldiers, in Cacerio Ramiro Canton, Guazapa, "killing one soldier and wounding another," the report indicates. Radio Venceremos concludes this segment stating that at 1145 on 14 September, "urban commando units attacked General Staff positions in the San Mateo neighborhood, inflicting 12 casualties on the enemy."

Canal Doce, at 0300 GMT on 21 September, carries a one-minute report on fighting between the FMLN and the Army in Chalatenango. Citing military sources, the report indicates that "one rebel and one policemen were killed in fighting that took place on 20 September in the town of Nueva Concepcion." It adds that "one CETIPOL soldier was wounded in an FMLN attack against the public security academy installations in Santa Tecla."

At 0300 GMT on 22 September Canal Doce carries a one-minute report "on a series of attacks against military positions" by the FMLN in Usulutan and San Miguel Departments on 21 September. "Military sources confirmed that four 6th Infantry Brigade soldiers were killed during an attack by an FMLN cell carried out early on morning of 21 September in Jucuaran. In addition, three soldiers were wounded," the report notes, adding that two guerrillas were killed. The guerrillas also attacked "GN positions in Chinameca and Jucuapa, but no casualties were reported."

Priest on Jesuits' Weapons Possession Charge

PA2409170590 San Salvador EL DIARIO DE HOY in Spanish 20 Sep 90 p 2

[Text] During a visit to the office of EL DIARIO DE HOY yesterday, Dr. Fermin Sainz, director of the Jesuit order's "Loyola Center," passed along to us a note addressed to Colonel Heriberto Hernandez, former director of the Treasury Police, explaining the circumstances of the discovery of weapons in the vicinity of the center during a terrorist offensive on 12 November 1989.

The portion of the note signed by Sainz that refers to Col. Hernandez' statements reads as follows:

"Loyola Center reply to Col. Hernandez' statement:

"I have a report that appeared on page two of the 18 September issue of EL DIARIO DE HOY on 'a weapons seizure at a Jesuit residence' and a note from the Supreme Court of Justice Information System (Interjust) dated 17 September summarizing the statements of Col. Heriberto Hernandez on the discovery of weapons at "the Jesuit residence of Saint Ignatius of Loyola" when he was chief of the Treasury Police.

"I am the director of the Loyola Center and, along with other individuals, witnessed the incident; I recorded what happened.

"1. The Loyola Center is not a residence for Jesuits. No Jesuit has lived there. It is a retreat for married couples, schools, priests, Christian apostolic groups, and various groups attending technical seminars.

"2. Prior to the November offensive, no security or military group had searched the center.

"3. The report states that the colonel said that 'he does not remember when the search was carried out.' He seems to 'remember,' however, that it was 'prior' to the offensive. It was not prior to, but on the morning of Sunday, 12 November. However, it was not a search; they only headed toward a pile of ashes along with handcuffed individuals presumed to be guerrilla members who reportedly knew where the weapons were. In his report in reply to an SIU [expansion unknown] investigation, the colonel said that he carried out the action after receiving an anonymous phone call claiming that the 'FMLN [Farabundo Marti National Liberation Front] terrorists had abandoned weapons there.'

"4. Col. Hernandez said that 'he cannot recall the specific number or type of weapons seized at that house.' Actually, the weapons were not found in the house or on 'the patio,' but near a fence that borders the coffee fields, far away from the house.

"I was told that the Treasury Police took pictures of the weapons for its files. The colonel received a report from the lieutenant on duty listing the weapons seized and their respective pictures, but that list does not match the one I drafted.

"4. The equipment of four combatants was found: Four rifles, four .45 caliber pistols, four smaller caliber pistols, a small radio, a fragmentation grenade, a LAW [light antitank weapon] rocket, and four knapsacks containing ammunition. All of this was found poorly concealed under the ashes. One of the soldiers told me: Do not worry, Father, we are finding things like these in many residences and other places. The guerrillas avoid being caught with weapons; they hide them and return for them the next day. Col. Hernandez stated: 'Despite the seizure, no investigation was conducted because the information we had dealt with the existence of weapons and nothing else.' President Cristiani himself, during an interview at the Presidency on 14 February 1990, said that 'no one thought that the Jesuits had anything to do with the weapons...the soldiers never thought of this as being important. The guerrillas are usually involved in this sort of thing.'

"San Salvador, 19 September 1990

"Dr. Fernando Sainz, S.J."

Honduras

Callejas on Spain Visit, EEC, U.S. Relations

PA2509034790 Tegucigalpa Cadena Audio Video in Spanish 1723 GMT 24 Sept 90

[News conference by President Leonardo Callejas with local reporters, moderated by Martin Baez Urmaneta, at Tegucigalpa Airport—live]

[Excerpts] [Callejas] Good morning, reporters and Honduran people: I am back again after a trip that began last Monday. I was on a working visit to Spain. I was accompanied by my wife Norma; the foreign minister, who had to go directly to New York because of the UN General Assembly sessions; the minister of communications, public works, and transportation, who is returning on a commercial flight; and Presidential Adviser Emin Abufele. I am very pleased to be back here in our country's capital after a highly productive trip. I am very pleased that I have been able to take action on some economic decisions that the Honduran people already know about. My trip was very positive. I am satisfied with our effort and am glad to be back in our dear country.

[Baez] Julio Hernando Valdes of Honduras Radio Nacional.

[Valdes] Welcome, Mr. President, and those who accompanied you on your trip. Could you tell us how this country will benefit financially because of your trip. There were some comments in the press that this financial assistance will only temporarily alleviate our country's financial problems.

[Callejas] I would not like to return to Honduras without considering our country's economic situation. We are making these trips and efforts to meet specific goals regarding short and medium-term financial assistance.

The Spanish Government was very positive, especially after the renegotiation of Honduras' debt with the Paris Club. The Spanish Government has decided to substantially increase its aid to Honduras, both in assistance funds for development—which are long-term funds that are granted under extremely favorable conditions—as well as commercial credits. These credits are also favorable funds, but they will not be granted under the same conditions as the development funds.

There is also a program to increase funds for equipment and a program to finance the improvement of the country's airport facilities and river and sea basins. There are other priority programs.

Besides the economy, we also discussed another issue with Spanish Prime Minister Felipe Gonzalez: Europe's plans for 1992. We also discussed the relationship we have to maintain with Spain to reach economic and social objectives involving the EEC.

The first phase of Spain's financial support for Honduras involves $54 million. This amount is more than the amount received over the past five years. From 1984 to 1989, Spain's financial support for Honduras amounted to $43 million. Thanks to our efforts, we have secured financing for $54 million plus support for feasible programs and special projects for the three months that remain in 1990 and for 1991.

Although the agreements refer only to the fiscal year that concludes on 31 December 1991, they do not disregard this year. Depending on our own capabilities, Spain is prepared to give us all the resources we may require. In Spain, the media has mentioned figures around the $200 million mark for over a four-year period. I trust we will be able to get more than that once we are able to effectively utilize the first $50 million. In this regard, we have already presented plans that we will later explain in detail.

Undoubtedly, we were given a positive reception. We have to be pleased that we achieved our objective because the country's credibility is high, considering the coverage that the Spanish media gave our visit, in spite of the fact that it was not a state visit, but an official working visit, which has a lower status. Our country's economic plans and our decisions—which, as the Honduran people know, are harsh—were accepted in Spain.

[Baez] Armando Villanueva from EL HERALDO.

[Villanueva] [Question indistinct]?

[Callejas] My trip to Washington has several objectives. The first objective is to hold talks to see if the U.S. House of Representatives and the Senate approve the U.S. executive branch's request for aid to Honduras. This request entails: $80 million for an ESF [expansion unknown] balance of payments fund; $41 million in military aid; $38 million in development aid; and $14.8 million for the 4-80 law. There are many alternatives. We would like to receive all the aid requested. Our top priority, however, is the ESF funds, which involve the most complex work. This is our objective, knowing that U.S. fiscal policy is going through a crisis.

We will request military aid, of course, as part of the economic aid we hope that the United States will grant Honduras.

[Baez] Juana Dolores Valenzuela from [words indistinct].

[Dolores] Mr. President, it has been said that your visit to Spain was meant not only to strengthen the ties of friendship and cooperation but was also meant to open a door to other European countries. Did you achieve anything in this regard?

[Callejas] We said that Spain must become our door to the EEC. We are working on a program to coordinate how the two countries can accomplish this objective. We will be in direct contact with Abel Matute, the EEC's representative for Central and Latin America. We will analyze the various agreements between the EEC and Honduras.

The important thing is that we have established relations with Spanish businessmen. Right now we are prepared to negotiate with them and discuss several topics. One of these topics concerns the Spanish Atlan Company buying out the cement industry, not Cementos de Honduras but Incehsa [Honduran Cement Industry]; this would privatize the cement industry. We are prepared to discuss with Spanish businessmen the conversion of our debt into equity through the proper management of our forests. Our forests would be used to provide raw material to manufacture Spanish furniture. We are also discussing with them inland shrimp farming investments. In other words, we spoke to the Spaniards about many topics besides economic assistance, which is vital. For us to increase relations with Spain, however, we need the Spaniards to invest here. This will also enable us to begin doing business with the EEC. Certain established agreements with the EEC, such as the Lome Convention, give other countries—not Central America or Honduras—certain advantages. Consequently, we feel that these relations are a vital element, and we shall follow them up because time is running short; 1992 is only 15 months away so it is vital that we expedite things.

[Baez] Rafael Castellanos from Radio Tegucigalpa.

[Castellanos] Mr. President, in your absence, Finance and Public Credit Minister Dr. Benjamin Villanueva mentioned that according to the Paris Club there was a good possibility that several countries might pardon (?part) of Honduras' foreign debt. [Words indistinct]. Will you meet with President Bush [words indistinct]?

[Callejas] I hope that our debts will be pardoned, but this has to be a bilateral agreement. Right now I have no information on possible agreements with any of the lending countries. I, at least, do not have this information. I spoke to Dr. Benjamin Villanueva over the telephone, but we did not talk specifically about this topic. Logically, Paris Club negotiations must be bilateral. I feel confident that there are countries that may be willing to pardon our debt. We have all seen how the United States proposed to its own Congress an initiative to pardon $7 billion of the Latin American debt. This means there is a willingness. The important thing is that the first step has already been taken. This first step translates into a $170 million savings in Honduras' 1991 debt repayments. This works out to approximately 680 to 700 million lempiras at the interbank exchange rate—an expenditure the government will not have to make to keep up to date. Honduras has also been awarded a greater grace period before having to repay its commercial debt. This is important because, as I have already mentioned, this involves the Japanese and other companies.

During my trip to New York and Washington, I will meet with Vice President Quayle. I will also meet with senators and congressmen to encourage greater goodwill toward Honduras; that is the purpose of my visit. Right

now we have excellent relations with the United States. I will probably meet with President Bush in New York on Sunday [no date given], but this has not yet been confirmed. I understand that there will be quite a few presidents there. We had not requested a meeting with President Bush because it was not on our schedule. Seeing as he will arrive in New York on Sunday, however, if it can be arranged, we shall meet with him.

[Baez] Francisco Valeriano Giron from LA TRIBUNA.

[Valeriano] Mr. President, the finance and public credit minister also said that Honduras is more or less solvent with its creditors. Does this mean that we now have sufficient capacity to request loans from international institutions? Does Honduras have any plans or programs on how to use any loans it may be awarded once it pays back its debts to other countries and international lending institutions?

[Callejas] Yes, we have partially defined programs. We should remember, however, that the way in which we are dealing with Honduras' foreign sector requires that we must be able to obtain several hundred million dollars in soft loans.

One of the great accomplishments of the negotiations with the Paris Club is that Honduras is now qualified to have access to financing resources, which means soft loans on a long term basis. As of now, we will have to start creating projects for the numerous economic and social sectors. This is part of this year's effort to make unprecedented investments, such as the San Pedro Sula-Puerto Cortes road; the design of the new route Cortes to San Lorenzo via the Valle de Comayagua-Aguanqueterique; the improvement of the airport infrastructure; and social programs which include improving hospitals and educational facilities. The financing capability currently available to Honduras is so great that our principle problem is that we do not have enough projects available to be financed. This is something unprecedented in our nation, and we now have to do something about it. Let us not forget our other efforts involving seven important activities within the agricultural sector [as heard]: bananas, coffee, palm oil, basic grains, inland shrimp farming, industrial parks, and tourism. We are going to concentrate our efforts in those areas to take advantage of the credits offered by the international institutions. [passage omitted]

[Baez] German Reyes of ACAN-EFE.

[Reyes] Mr. President, how can your government justify the $48 million additional aid for the Armed Forces that you will now request? One other question. Is it right to keep the Armed Forces budget for next year unchanged while the Public Health Ministry's budget is being cut?

[Callejas] We have not cut the Public Health Ministry's budget. We made a monetary exchange adjustment, which actually increased the ministry's budget. The figures are clear. We increased the budget in three specific areas: health, education, and communications.

As for your other question, the Armed Forces is the one institution that readily accepted the economic adjustment. We cut the Armed Forces 1990 budget by 10 percent, but this institution did not get any compensation for the monetary exchange. Keep in mind that a few months ago one gallon of fuel cost the Armed Forces half the price it costs them now. Yet the Armed Forces did not request or receive any compensation. The U.S. dollar increased in value. All of the equipment and supplies for the Armed Forces' planes and surface vehicles are purchased in U.S. dollars. Despite this, the institution's budget was not increased.

I want to point out that the Armed Forces is the one institution in which fiscal discipline has been maintained in this stage of my government. I wish to make this public. Some sectors in the past concealed the amounts allocated for the Armed Forces. Not us. We have done this without hiding anything. The amount in the budget is the true Armed Forces budget. We have not hidden anything in a drawer. We do not think that would be the proper procedure. I think the Honduran people should be well aware that the Armed Forces are the ones most affected by the monetary adjustment; nevertheless, we have not increased the Armed Forces' budget by a single centavo. Quite the contrary, the Armed Forces' budget will be the same as it was in 1990.

As for aid for the Armed Forces, we must continue to give it to them. Little more than $20 million are required to amortize the loans used to finance the Air Force activities, but the Air Force is vital for the antidrug struggle. We are in the process of installing a radar site in Trujillo. We think F-5 interceptor planes are the best tool against drug trafficking. I hope that in the near future the United States will be able to give Honduras military assistance in some other way. But in the meantime, logisitical support and equipment for our Armed Forces will be minimal. This is what we use the U.S. aid for. [passage omitted]

Nicaragua

FSLN To Avoid Next National Dialogue Meeting

PA2509030790 Panama City ACAN in Spanish 1829 GMT 23 Sep 90

[Text] Managua, 23 Sep (ACAN-EFE)—The Sandinist National Liberation Front (FSLN), the major opposition party in Nicaragua, today reaffirmed that it will not attend the national dialogue summoned by President Violeta Chamorro "because it finds it a trap for workers." The FSLN National Directorate and Consultative Assembly held an extraordinary session over the weekend, at the conclusion of which they issued a communique stressing that "it is right" that the Sandinists not attend the meetings.

The first phase of the forum, which was devoted to finding solutions by consensus to the grave economic situation besetting the country, concluded on 21 and 22

September. The discussions in the search for a consensus are expected to continue on 4 and 5 October. During the past meetings, the administration announced an economic plan involving "major surgery," which includes the dismissal of 25,000 state employees, a ban on the Central Bank to grant loans to the government and state enterprises, changes in the financial system, and the deregulation of the economy.

At the conclusion of the first session, the government insisted on again inviting the Sandinists to attend the discussions. The FSLN, however, turned down this new invitation.

In addition, the FSLN ordered its organizations, if the government continues implementing "measures against the people," to conduct a number of actions "in line with" the defense of their interests.

The National Directorate and the Sandinist Assembly are asking their organizations to support the struggle against unemployment, poverty, and returning to previous owners or to private businessmen those enterprises confiscated by the Sandinists. They are also demanding that the government pay "immediate" attention to children, who are the victims of a rise in the infant mortality rate.

Regarding the government's plan to privatize state enterprises, the Sandinists say that "property must be democratized, starting by recognizing preferential rights for those enterprises' workers."

They also demand support in the struggle to find employment alternatives for the soldiers who are being discharged through the Armed Forces permanent-duty troop reduction process.

The government's economic plan includes laying off 10,000 officers and soldiers and 15,000 public and state enterprise employees.

Issues Directorate-Assembly Communique

PA2509122790 Managua BARRICADA in Spanish 24 Sep 90 pp 1, 5

[Communique issued by the Sandinist National Liberation Front National Directorate and the Sandinist Assembly in Managua on 22 September]

[Text] The Sandinist National Liberation Front [FSLN] National Directorate and the Sandinist Assembly have met, and they reiterate their will to work for peace and stability in Nicaragua.

This demands an outright rejection of the government's policies, characterized by abuses against the working people who have rejected its measures.

In view of the deteriorated socioeconomic situation that threatens to cause more instability in the country, the FSLN has told the government of the need to hold a true national dialogue that can provide overall solutions to the country's problems.

A meeting was held with the government on 1 September to take steps to promote a national dialogue. The FSLN's position is clear in demanding as an initial step that the government create minimal conditions of confidence for workers and producers, such as:

—To fulfill the 11 July agreements reached with the National Workers Front (FNT).

—To resolve the climate of uncertainty and insecurity created by Decrees 11-90 and 1-90.

—To solve the conflicts and land takeovers that have occurred in Regions 5 and 6.

—To provide job and social stability to enterprise directors, technicians, and workers of the People's Ownership Sector [APP].

—To implement emergency food programs for the population, who are enduring serious difficulties and hunger.

—To suspend acts of revenge against public workers and professionals and the attempt to eliminate the names of heroes and martyrs.

On 10 September, at another meeting, the government responded to the FSLN by stating that it did not deem it necessary to create such minimal conditions of confidence in advance. Also, it stated that it understood national dialogue to have the sole objective of lowering inflation and that the date for the national dialogue should be established for 20 September.

The FSLN favors a national dialogue, in the full sense of the word, to aid in national reconciliation, to respond so that together we can confront the economic crisis, to be able to strengthen the economy, and to provide minimal stability in the country. We oppose the attitude of the government, which is intent on imposing an economic plan that makes the rich richer and the poor poorer.

The subsequent statement by the government, which said that with or without a national dialogue it will continue to implement the economic measures against the people, removes all credibility from the 20 September meeting and shows that the national dialogue was nothing but a trap for the workers. The attitude adopted by the FSLN, therefore, not to attend that event was a correct one.

On explaining our position, we demand that the government adopt a serious and responsible attitude and demonstrate its willingness to open a national dialogue, which the specific situation of Nicaragua requires.

In these terms, it is up to us to struggle for a true national dialogue. This demands that the Sandinist militants carry out the following actions:

a. Organize and support the struggles of the different social sectors to defend their dearest interests with a consolidated strategy. Special attention must be given to

defend the lands of the APP and the cooperatives, to struggle against unjustified dismissals, to defend the workers whose property and homes are threatened, and to neutralize the attempts to return properties of the APP. It is also necessary to organize the mobilization of the broad popular sectors against unemployment, the increased cost of living, illegal charges in gold cordobas for water and light utilities, and the deteriorated health services.

b. Defend families and workers threatened by Decree 11-90.

c. Guarantee the effective protection of land, plots, and homes of families and cooperatives that were benefited by the revolution.

d. Defend health and education programs.

e. Facilitate and support the process to legalize these properties in accordance with laws that are currently in force.

f. Defend, within the framework of the national dialogue, the criteria and procedures to be followed to privatize state companies under the principle that they must be privatized only when it is demonstrated that such companies are unprofitable or that it is advisable for purposes of the national interest. Should it take place, privatization must be in line with the goal of democratizing property by recognizing the preferential rights of the workers of companies that will be privatized.

The integrity of state companies must be guaranteed by eliminating discriminatory policies that are currently in force and by defending their facilities in the face of violent occupations and other de facto actions.

g. Struggle to find survival alternatives and obtain access to the land for former contra peasants, refugees, war victims, and other segments of the people in the countryside, especially those who lack the means to survive.

h. Support producers and businessmen in their demand for appropriate credit and fair and timely payments for their products.

i. Defend the right of all Nicaraguans to work.

j. Struggle to find alternative forms of employment for members of the Armed Forces.

k. Demand immediate attention for children to stop the increase in infant mortality rates.

l. Defend the autonomy of the Atlantic Coast area.

m. Establish contacts with government officials and political party and association leaders to persuade them that the only option left for the country is an understanding under the terms that we have hereby outlined.

In view of the most serious socioeconomic crisis in the country, the FSLN urges all its forces to join this battle to defend popular and national interests, and in view of the gravity of the situation, it has decided to delay the closing day of the congress, which is scheduled for February, until July 1991, year of the 12th anniversary of the triumph of the Sandinist people's revolution. [decide trasladar la fecha de clausura del congreso programada para febrero, al mes de julio del ano 1991, ano del 12 aniversario del triunfo de la revolucion popular sandinista]

Concerted efforts, yes! Imposition, no! Sandino lives, the struggle continues! Free fatherland or death!

22 September 1990.

FNT Announces Start of Civil Disobedience

PA2509034490 Managua BARRICADA in Spanish 24 Sep 90 pp 1, 5

[Text] Leaders of the five labor federations and two labor organizations of the National Workers Front (FNT) agreed yesterday, at the conclusion of their first congress, to begin a nationwide civil disobedience campaign against the economic measures of the Chamorro government. Over 200 labor leaders from all over the country participated in the congress. The FNT agreed to organize and hold a nationwide day of protest against hunger and unemployment on 1 October, the day the mass dismissal of public employees and the privatization of state enterprises will begin.

The disobedience campaign will entail the takeover of enterprises facing the danger of being privatized, mass demonstrations against government measures, legal actions to prevent privatization, refusal to pay water and energy bills in gold cordobas, and the establishment of a popular struggle front, made up of all the social sectors that are being harmed by the government's economic measures.

On 26 September the Education Ministry employees will stage a nationwide work stoppage. Thousands of teachers will march toward the National Assembly to demand the approval of the teaching career law introduced by the Sandinist National Liberation Front, which will be debated that day in the Assembly.

The leaders of the labor, trade, and professional groups within the FNT agreed to "strive on a gradual basis, through all means available, until true consensus and stability in the country are reached." In rejecting once again the dialogue "show" held by the government during the past week, the FNT decided to set up defense commissions in all the enterprises facing the threat of privatization, to file legal actions to sequester the enterprises' assets, and to disobey all the decisions made by the state corporations.

All these decisions were made unanimously, including the statement in support of the struggle being waged now by Enabus [National Bus Enterprise] employees, the Subtiava Indian community, and the Sebaco Rice Enterprise, as well as in support of the Sandinist People's Army declaration that it would not discharge its men

until the government can guarantee them alternative occupations and jobs. The unemployed Army members will be invited to join the FNT Movement of Unemployed People.

Moreover, the workers will launch a campaign to explain their position in the news media and in public meetings, health sector employees will establish medical attention brigades and provide free medicines, and brigades will also be set up to hook up water and electricity services when the government orders cuts to customers who refuse to pay in gold cordobas.

The decisions for this Immediate Action Plan were made after the labor leaders reviewed the brutal economic crisis besetting the country, the government's failure to abide by the agreements signed with the FNT, and the immediate impact of the economic measures, which they regard "as the bases for a future social eruption."

Workers Reportedly Reoccupy Enabus Facilities

PA2409160290 Panama City ACAN in Spanish 1459 GMT 24 Sep 90

[Text] Managua, 24 Sep (ACAN-EFE)—Last night dozens of workers again occupied the facilities of the National Bus Enterprise (Enabus) in this capital, after riot policemen had dislodged them for second consecutive day. Managua radio stations reported today that approximately 200 workers have occupied the Enabus main terminals, defying police authorities who have warned that they will not allow workers to occupy the building.

The workers who occupied Enabus today are demanding that if President Violeta Chamorro's government privatizes Enabus, it should be turned over to the workers in that sector. As a result of the situation, collective transportation is running irregularly, particularly in Managua. Meanwhile, private vehicles can be seen transporting commuters, with the Transportation Ministry's authorization. On the night of 22 September, authorities released 26 workers who had been arrested that morning when the riot police dislodged a group of workers who had occupied an Enabus terminal in Managua.

Hurtado Reviews Activities of Government Ministry

PA2409175490 Managua LA PRENSA in Spanish 18 Sep 90 p 15

[Report by Ana Maria Ruiz]

[Text] Government Minister Carlos Hurtado has said that seizing weapons from civilians has been one of the most fulfilling parts of his job.

During a frank dialogue, the minister talked about the two aspects of his mission. The more visible aspect being to safeguard order, the branches of government, and democracy, and all that it entails. The other mission is the political mission, which he claims is progressing slowly, but surely.

Hurtado assessed what he has called his "difficult ministerial work" since 25 April. In the 19 weeks since the war ended, he said, his main challenge has been to exercise control over the entire country, with the help of police forces.

The government minister said that "erasing the image of a repressive police and the type of regime promoted by the Interior Ministry has been a very difficult task."

He adds that to carry this out, he has a force of 11,800 men, including policemen, firefighters, and antiriot and special troops.

His record is clean, he said, "there have not yet been any major incidents despite the provocations of which everyone is aware."

Hurtado confirmed that one of the achievements of which he is most proud is the elimination of the General State Security Directorate, an organization of political repression.

The minister said that he has worked without what is known as "intelligence," but admitted that he is "working" toward establishing his own intelligence network in keeping with the style that befits a democracy that rejects violence." [quotation marks as published]

Hurtado said that he does not believe that a social explosion is near and that he does not even foresee one in the long run. "We have entered an era of peace and we must prepare ourselves for it and get used to it," he added.

As for the criticism of the inefficient handling of problems such as the black market "coyotes," whose numbers are increasing instead of decreasing, the minister said: "There is a law that allows people to carry up to $500. In our raids, we have detained people carrying dollars, but the person who had the most dollars had $499. They know how to use the law to protect themselves."

As for the searches conducted in response to reports against the big fish of the "black" business, Hurtado said that they have been released to the chagrin of those who denounced them, because such people have managed to show that they have large amounts of dollars, because they are importers and have access to exchange houses authorized by legislation.

Hurtado laughed at reports that the police reportedly had to deal with robbery cases while moving about in taxis, because they lack vehicles and gasoline as a result of budget cuts.

"Managua is protected," the minister said, but he did not deny that there are problems in the fight against crime. In reading the most recent weekly report on hand, which is a week and a half late, Hurtado pointed out that in Managua there were two murders, nine homicides, a frustrated homicide [homicidio frustrado], five attempted homicides, 36 assaults, and six rapes, and this without mentioning robberies and thefts.

As for plots, he has no reports of any serious conspiracy. He said, "I do not believe that there are that many," referring to attempts by certain groups to organize, which have been publicly banned. As for the Pichardo "affair," Hurtado said that "he had nothing to do with conspiracies."

Hurtado said that, throughout the national territory, all his forces are fighting against illegal land occupations and safeguarding public order.

He confirmed that there is full respect for individual freedoms as long as the rights of others are not obstructed or threatened.

If someone is burning tires and his action jeopardizes the health of the neighborhood, homes, or property, then the police must take action, Hurtado said.

Hurtado emphasized that his work is completely separated from that of the Army. He believes that their work, during peace time, is to safeguard borders and to carry out the Armed Forces' other traditional work. He added that the size of the Armed Forces has decreased to about 35,000 and 40,000 soldiers.

Hurtado refused to reveal his plans regarding the black market, constant quarrels among neighbors, land occupation, cattle rustling, contraband, and attacks on private property.

"If you plan to deal a blow, do not announce it," he suggested.

Commander Criticizes Contra Demobilization System

PA2509044790 Managua Domestic Service in Spanish 1815 GMT 24 Sep 90

[Report on interview with Nicaraguan Resistance Southern Front Commander Segundo Rodriguez by unidentified reporter; place and date not given]

[Text] Segundo Rodriguez, better known as Commander Macua in the southern front, has said that he is unsatisfied about how the CIAV [International Support and Verification Commission] and the government are handling the problem facing thousands of demobilized Nicaraguan Resistance [RN] members. He also said that there can be no stability in the country as long as General Humberto Ortega remains as head of the Army. Commander Macua denied, although not convincingly, that demobilized southern front members have been seizing land in the Muelle de los Bueyes area.

[Begin recording] [Rodriguez] The only problem is that the Sandinist National Liberation Front [FSLN] has tried to exert pressure on the RN because Mrs. Violeta de Chamorro's pledges have not been fulfilled. We are still waiting for that. The CIAV has also deceived us. I do not know what happened. They promised us dollars but they have only brought some gold cordobas. I do not know what happened to the dollars. Mrs. Chamorro made a pledge, but she has yet to fulfill her pledge to us. We would like to see what conditions...[corrects himself] what measures she will adopt. We will never reach an agreemenmt as long as Commander Daniel Ortega, excuse me, Humberto Ortega, remains in power because he....[changes thought] because she would always be under his command. She seems to be ruling the country at gunpoint and if she moves she dies—or perhaps she does not feel capable of handling the job. We do not know. Anyway, there are many problems as far as the RN fighters are concerned, and I do not know what kind of situation may arise later on.

[Reporter] Could you tell us if any group of demobilized fighters has rebelled?

[Rodriguez] I have no information on this. We have tried to fulfill our pledges—because we need peace and want democracy—but we do not know if any of the former commanders or fighters have rebelled. Anyway, this would be negative. Many of the thefts and things that have been reported were carried out by the Sandinist People's Army.

[Reporter] We were also told that you seized some land in this area, particularly in the Muelle de los Bueyes zone.

[Rodriguez] Negative. We have seized no land in the Muelle de los Bueyes zone—which is owned by [name indistinct] Salazar—but we, meaning the southern front, do have some land. We have not, however, seized the land. We have not taken it by force. The government has given it to us and we are currently engaged in negotiations, but we are not guilty of abuse. [end recording]

* Commentary Criticizes FSLN Actions

90CA0124C Managua EL NUEVO DIARIO in Spanish 10 Aug 90 p 2

[Commentary by Dr. Manuel Andara y Ubeda]

[Text] If the historic task of 19 July was that of liquidating Somocism as a barrier to life with freedom, an obstacle to the development of our people, and finally, a means of selling our sovereignty, then why did the Sandinist Party and Government copy Somocist styles and methods based on favoritism, cronyism, political patronage, servile subservience, and sinecures? All of these methods morally mutiliate those who indulge in such shameful effrontery and "pimp" for the corruption of those called upon to serve and defend the common interest?

If the purpose was to fight backwardness and poverty handed down since 1821, then why did we plunge into a wretched, retarding populism as unpopular as that of the Somozas—agents of that past—entrusting important posts to a few low-minded proteges with such retarded thinking, useless, immoral "men" bereft of any national mystique or civic honesty?

Why would any leader of Olympian influence hook up with some crook entrenched in high office in order, in the name of Sandinism, to engage in the practice of plundering old Sandinists?

Then one has the case of the two (impossible to say if all...) hospital directors, one recently graduated and the other an assistant, both so-called Sandinists now living in Miami, who used the authority given to them by the party to harass all personnel, including doctors of great prestige.

Let no more be said about those who did not fulfill their party obligations or engaged in the task of kicking out honest members accused of being troublemakers because their criticism got in the way of the unseemly schemes of would-be Sandinists. Some comrades were even sent to jail for being "troublemakers."

One ceased to be shocked when the party devoured its most upright sons, leading to the devouring of the Sandinist Government by implacable history and a serious threat to the existence of the revolution, whose destruction is the main objective of Yankee imperialism and sufficient incentive for the mercantile profits of former owners—now in power—to sell off our national sovereignty and independence.

Reorganization of the party is necessary based on its makeup of masses and cadres, as the situation requires. We must assign responsibility for the loss of prestige and failures at all levels of the party in order to avoid any repetition of the same, including, naturally, the national leadership, where two, three or perhaps four members are individuals the people do not want to see in such high posts.

If these un-Sandinist-like elements of the Front—who are cut off from the rank and file of their own accord—are only Sandinists with failings and not like the vicious "men" who should be kicked out, then they must be removed from their posts and placed among the masses so the latter can turn them into better revolutionaries and so they can be available for an advisory council that can draw on their positive experiences.

Using all of these "oxen," the Revolutionary Government had to pull its cart, struggling against old winds of treason blowing in the name of God from the bourgeois mansions and pulpits of Satan, in unison with the savage tide of Yankee imperialism.

These storm winds and cyclone swells made the greatness of the FSLN [Sandinist National Liberation Front] when the government and our nation courageously and with dignity faced a brutal onslaught against our nation's sovereignty and independence and the people allowed such mortal sins to pass as venal.

Such greatness was denied by would-be Sandinists and arrogant activists at all levels more bent on serving 'chicha' at bosses' parties than they were the people.

What a wretched paradox! The FSLN is the party of the historical need of the people, not the party of a group or a family or some lone politician with delusions of grandeur. We must do our utmost to purge it!

* Montealegre on Economy, Privatization

90CA0124B Managua LA PRENSA in Spanish 11 Aug 90 pp 1, 16

[Interview with economic adviser Haroldo Montealegre by unidentified reporter; place and date not given; first six paragraphs are LA PRENSA introduction]

[Text] Economic officials have met for several days in a row to analyze the economic crisis affecting the country and government policies implemented during the first 100 days, LA PRENSA has learned from government sources.

The purpose is a far-reaching debate of the government's economic program so as to refine it in order that it may later serve as a basis for the national reconciliation proposed by the government, according to one of the economic officials, who included Ministers Antonio Lacayo, Silvio de Franco, Francisco Mayorga, Emilio Pereira, Enrique Dreyfus, and Haroldo Montealegre.

While the economic policies of Violeta Chamorro's government have been the main target of the opposition, they are constantly the subject of debate in high circles of government, where officials are known to be trying to redraft the plan this week and come to an agreement in order to make their presentation to the president and the country.

"To subject the economic plan to discussion, disagree on certain aspects, and modify any parts that may be flawed is healthy for the economy and necessary in a democracy," LA PRENSA was told by Dr. Haroldo Montealegre, economic adviser to the president and Nicaragua's representative to the International Monetary Fund and the World Bank.

Montealegre is apparently the individual in the government who promotes the main adjustments in the plan which today underwent lengthy study with the president.

Some details of what is being discussed and what economic officials could approve today were revealed to LA PRENSA in the following interview by Montealegre himself only minutes before he went into that meeting, which is scheduled to end today.

[LA PRENSA] Dr. Montealegre, it has been reported that economic officials are drafting a new economic program. What can you tell us?

[Montealegre] Indeed, we have been hard at work drafting a 36-month plan of simultaneous stabilization and structural adjustment similar to those successfully implemented in such countries as Spain, France, Mexico, and Venezuela.

The plan, which will be implemented within the basic framework of social reconciliation, has as its goal the restoration of basic microeconomic conditions, meaning at the enterprise level and involving the normal operation of productive agents. In other words, we want to create conditions resulting in an increase in production, productivity, and, consequently, jobs and wages.

More specifically, we want to:

1) stabilize the economy, eliminating inflation and sustaining the parity of our currency by strictly adapting the level of spending to the amount of foreign exchange available, meaning fixing, linking the rate of exchange. Public spending will be highly selective.

2) deregulate the economy, including financial liberalization (allow private banking) and foreign trade;

3) provide legal security in order to generate confidence; and

4) use privatization as a means of making economic management more flexible and carrying out social projects for which no financing is available.

[LA PRENSA] The people want to know when there will be an end to inflation and the devaluations. Could you be more explicit?

[Montealegre] From the time these measures go into effect, one month is enough to put an end to domestically-generated inflation. Devaluations will also end and there will even be free convertibility, but a little further down the line.

[LA PRENSA] A central element in the plan is the capacity to obtain outside resources. To date, the government has announced the obtention of $900 million, but has only paid out $60 million. There seem to be operating problems.

[Montealegre] To date, resources contracted for, in addition to the $300 million granted by the United States, include $20 million from Venezuelan oil and $150 million in lines of credit offered, but not all contracted for, by several countries, mainly European. This means there is a major limitation on foreign financing.

We plan to appeal to the World Bank, however, within the framework of structural adjustment loan programs and also embark upon a program of stabilization with the International Monetary Fund. Such resources will help soften the negative effects of the adjustment process and speed up the immediate positive effects.

It should be mentioned that World Bank adjustment financing includes a large share of social funds to generate emergency employment and help the most vulnerable sectors.

[LA PRENSA] Labor, unions in APP [People's Ownership Sector] enterprises, and the opposition have come out against privatization. Under such conditions, it is difficult to see how a potential investor would be interested in such companies. How do you intend to make this viable?

[Montealegre] It will be achieved through a process of dialogue and reconciliation, but they will very likely become convinced that it serves no purpose to keep running an enterprise that is operating in the red or not competitive. Foreign resources to finance government programs came to an end in 1989 with perestroyka. The only possibility of financing major social programs is through the sale of enterprises or joint investment, even with the workers themselves.

Many might think that it preferable for APP enterprises to remain in the hands of the government, but we must make it clear that to subsidize such companies means inflation, meaning a tax on all the people and economic instability. Workers must understand that without monetary stability, their wages will be permanently affected.

In general, the viability of the plan will depend on coherence and simultaneity, meaning total linkage of several things: social reconciliation, social programs (the social "cushion"), negotiations with the IMF and the World Bank, and renegotiation of the foreign debt in order to reduce it and be able to handle it.

On the matter of the debt, some progress has been made, as in the case of Venezuela, where we obtained an extension of 40 years and a six year grace period. Proposals have also been made to Mexico and other countries.

Regarding the commercial debt, amounting to 1.8 billion, it is now quoted at $.03 on the dollar, so that the real value is not that high.

[LA PRENSA] Is it legal for a private party to buy fractions of the foreign debt?

[Montealegre] That is a common, ordinary commercial transaction. Anyone can do it, but at his own risk.

[LA PRENSA] One final question: Do you recommend to Nicaraguans that they invest their savings in buying the foreign debt? Have you bought any or do you intend to do so?

[Montealegre] At the present time, a reasonable price would be $.02 on the dollar. As far as I am personally concerned, I will tell you that no public official can engage in this type of transaction because it would be a clear conflict of interests.

* Commentary Views Conditions for Reconciliation

90CA0124A Managua EL NUEVO DIARIO in Spanish 15 Aug 90 p 2

[Commentary by Manuel Eugarrios]

[Text] Based on all indications, in the days ahead—perhaps even this week—the so-called live forces of the country will join together for the purpose of reaching an

agreement in the social and economic fields. Nevertheless, it is appropriate to shed light on the basic objectives of such a reconciliation and determine who will benefit from it.

In principle, we believe the essential objectives of such an agreement can be none other than joining together in a common effort to begin the task of economic reconstruction and, on such a basis, achieve the political stability and social peace that all social sectors of the country unquestionably want.

Applying elementary logic, it is indispensable to presume that for the achievement of such an agreement, all sectors involved: government, businessmen, and workers, must make rational concessions, without thereby being required to sacrifice principles or lose their political identity.

Nevertheless, we do not believe that any reconciliation could be accepted without concrete protection for the workers' most essential interests, to wit: an improved standard of living, guarantees of their political and union rights and other public freedoms, the right to strike, and adequate participation in the management of enterprises, as established by Article 81 of the political constitution.

This is absolutely essential because in the efforts of national reconstruction, the weakest sector is precisely urban and rural workers, particularly when those who exercise power have a marked capitalistic bent.

In addition, however, protecting the fundamental interests of the workers, who will also fight for the independence and protection of the national sovereignty, is crucial in order for the economic pie and our national wealth to be distributed fairly and equitably.

Without this prerequisite, there can be no reconciliation whatsoever because it would mean that the workers are signing an agreement for their own exploitation, so they may continue to suffer from hunger, unemployment, lack of clothing, and poverty, which could never have been conceived of after 10 years of revolution.

Viewed from this perspective, another basic aspect of the agreement is the government's commitment to observe unrestricted respect for the political, economic, and social conquests granted to the masses by the revolution.

For their part, in order for businessmen to be able to invest and work in the tasks of economic reconstruction, which should be their principal role, they must logically demand a climate of peace and social stability that must first be guaranteed by the government through prudent actions and second, by the workers.

At any rate, businessmen must understand that under the terms of the agreement, they will not be living under the aegis of a regime that will base its actions on blatant capitalist exploitation, but rather, a government of transition in which they must also subordinate their appetite for maximum profit to the benefit of the vast majority of the people and the country in general.

For its part, the government must pledge to be at all costs an element of balance between these two social forces: businessmen and workers, and thereby demonstrate unequivocally what it has so often proclaimed: that it is a government for everyone: businessmen, workers, Sandinists, Marxists, conservatives, liberals, and so on.

This would unquestionably mean governing with the consensus of civil society, but with special attention and protection for the weakest classes of society, the very ones who, with their just demands and revolts, can destroy political and economic stability in a time of uncontainable social tensions.

Thus stated, the rules of play will logically give rise—as they have already—to maximalist criticisms from leftist extremists, who will accuse the FSLN [Sandinist National Liberation Front] of making a pact with the pro-imperialist bourgeoisie. We believe, however, that the common good and general interest must transcend such criticisms, for the other alternative, civil war, would lead the country to an explosive social upheaval which, having Yankee intervention as its corollary, would sweep away the government, carrying Sandinists, extremists, and the entire country, along with it.

Concerning political parties, the only role they can play is that of unreservedly supporting reconciliation and maintaining an aggressive critical presence vis-a-vis sectors deviating from what is agreed upon. Any other attitude would be to display a lack of wisdom and political sectarianism.

Nevertheless, in order for reconciliation thus conceived to move forward without stumbling, it is indispensable for the government to solve decisively and once and for all all its internal struggles. [The purpose of this will be] to provide an irreversible definition of Virgilio Godoy and his followers, including certain ministers, who will obviously turn into outright saboteurs of the reconciliation from their executive posts and, what is even worse, with their shock brigades.

Likewise, the government must also define its position on its relations with the Catholic Church, whose top official in recent weeks has tipped toward Godoy, stating that "it is necessary that those elected by the people govern," a refrain repeated here and abroad by the religious epigones closest to the Episcopal Curia.

* Feminist Movement Goals Described

90CA0124D Managua EL NUEVO DIARIO in Spanish 15 Aug 90 p 10

[Text] "Why not? A feminist movement can develop in our country," says Lea Guido, a woman who on several occasions refused to support such a movement.

But it is time to take a stand. How far will AMNLAE [Luisa Amanda Espinoza Association of Nicaraguan

Women] go? Lea deals with such issues as abortion, the organization's necessary "freedom of movement," its democratization, and the green light given to feminism.

"We have to lose our fear of feminism," she says, almost as a proclamation. "We have to remove the somewhat satanic stigma placed on feminism."

This defender of women's involvement in things which many identify as the frivolities and desires of the cosmopolitan woman says, "I am not a feminist," but with time she has also come to admit, she says, that in all of this a scientific conception is necessary for an analysis of women's affairs.

Recent Position

"Feminism is a social movement that is developing in the world." Her words are sprinkled with reflections, reflections that cause her to define a position obviously recently adopted. For example, she states that the movement concentrates on women's demands, that there are several currents, and that an organization such as AMNLAE must not ignore that reality.

This brand of "feminism" must be understood within the social framework which "contributes to the democracy of the entire country, advancing proposals concerning the country's most deeply felt socioeconomic problems."

But Lea is opposed to the mechanization of the movement, to copying formulas that were successful in other countries. For her, the women's movement can be a precursor to generate a broader movement than AMNLAE because it can be led by women whether or not they are Sandinist and for the benefit of all women.

How To Proceed

Concerning the way to proceed, she said that one of the main problems is the neoliberal trend toward economic adjustments which hits women the hardest. This situation must be taken into account.

Assemblies held over the past 11 years by AMNLAE are one way to proceed, but there must be others that are daily and concrete, such as services that can be made available to women either through the Women's Center, the Legal Office, Health Centers, or Training Workshops.

Concerning possibilities of change within the organization itself, she said that women must make proposals at the FSLN [Sandinist National Liberation Front] and understand that the movement is broader than the party and that some women will be Sandinists and others not, possibly from other political positions.

Dynamics

She said one of the proposals is respect for the movement's own dynamic, emphasizing that some points of the FSLN proclamation drafted within the context of war are no longer valid.

She came out in favor of greater participation of women in election campaigns and public posts.

When questioned about women's presence at the highest levels of the Sandinist party structure, the national leadership, she said that "no structure should be off limits to women."

Not Enough

Although she added that the FSLN broke with the traditional form of women's participation in politics, even resulting in incorporation into the highest levels of the struggle—in this case armed—indeed, "It is not enough. We must go further."

In this connection, she advocated aggressive action by women in the different organs of the Front on district, departmental, and national levels.

Concerning the action of women inclined toward Sandinism in the movement, she said there may be an identification of positions, but this does not mean the entire organization will automatically come to the same conclusions.

Panama

Vice President Arias Denies Coup 'Possibility'

PA2409202090 Panama City CRITICA LIBRE in Spanish 24 Sep pp 1, 36

[Report by Roberto Cubilla]

[Text] Guarare, Los Santos Province—Ricardo Arias Calderon, vice president of the Republic and minister of government and justice, has rejected any possibility of a "coup d'etat" against President Endara's government, and he added that "there is no room for that or any other threat."

Arias Calderon said that "the people are now enjoying peace and tranquillity," adding that they now "have more time to work."

Concerning the rumors that have been circulating in recent weeks about a group of Panamanians "plotting" a coup d'etat, the minister of government and justice pointed out that the country is now a "free and democratic" nation, where the people are enthusiastically resuming their "cultural, economic, and social activities."

The minister of government and justice rejected reports by opposition legislators that a group of Panamanians are trying to destabilize the country and organize a government junta led by Nicolas Ardito Barletta.

Another name that is being mentioned is that of Roberto Eisenmann, a Panmamanian businessman, who was described by the minister as "a man committed to the fatherland and democracy."

Arias Calderon said emphatically: "Nobody in his right mind can think that Mr. Eisenmann is engaging in any activities other than exercising his rights and freedom."

In conclusion, Arias Calderon said that "the government will remain in place through the end of its constitutional term. President Endara was elected for a constitutional period and he must finish that term."

Broadcasting Group Protests Radio Cancellations

PA2209190690 Panama City CRITICA LIBRE in Spanish 20 Sep 90 p 36

[Text]**Communique**

The Panamanian Radiobroadcasting Association [APR] wishes to inform the public of its deep concern over the Government and Justice Ministry's lack of regard for our fellow members. The government needs to maintain the democratic spirit that emerged from the Panamanian people's struggle, tenacity, and sacrifice. This lack of regard has resulted in the announcement that six radio-broadcasting frequencies will be cancelled soon. These stations are currently off the air.

Because these decisions are of national interest and because they could harm the recently recovered freedom of expression and the emerging free enterprise, we warn the public and the country's several unions of the danger in continuing this course of action. Over the past eight months, the APR has undertaken great efforts to avoid this situation.

The APR met on 20 January 1990 with the media director, who expressed Dr. Ricardo Arias Calderon's wish that the dictatorship's persecution of all the media should end right away and that, effective immediately, all broadcasters would attain their greatest yearnings for security, a repeal of the dictatorial decree, consultations with broadcasters regarding the broadcast industry, an end to all types of intimidation, and an end to the arbitrary cancellation or assignments of radio frequencies.

The APR, aware of the historic time in which we are living, and this administration's commitment to the Panamanian people, calls on the Government and Justice Ministry to put an end to regressive attitudes and to adjust its course toward the full democracy for which all Panamanians yearn.

For the record, we sign Tuesday, 18 September 1990.

Fernando Eleta C., president
Guillermo A. Adames, second vice president
David Simons, treasurer
Pedro Solis, director
Rodrigo Correa, director
Leopoldo Villalaz, director
Eduardo Fernandez, director
Jose R. Franco, director
Carlos I. Zuniga, vice president
Lamy E. de Arias, secretary
Rogelio Morales, sergeant at arms
Hector J. Santacoloma, director
Sion A. Cohen, director
Roger Guerra, director
Marisol Calvo, director
Esteban Lam, director

Arias Calls Closures 'Correct'

PA2509030490 Panama City EL DIARIO INDEPENDIENTE in Spanish 21 Sep 90 p 22

[Text] In exclusive remarks to EL DIARIO INDEPENDIENTE, Government and Justice Minister Ricardo Arias Calderon has said that the decision [to cancel the broadcasting frequencies of four radio stations] made by the Communications Directorate is correct, because these radio stations have been off the air for over 240 days, and, under those conditions, the law states that their frequencies are to be cancelled.

Moreover, Communications Director Edwin Cabrera admitted steps are under way to cancel the frequencies of radio stations Onda Popular, owned by Ramon Siero; Radio BB, owned by Andres Vega (Domplin); Radio Tic Tac, leased to Enrique Ruidiza; and Radio Verbo, whose legal representative is Dalid See.

Article 40 of Decree 155 of 28 May 1962, paragraph D, states that in a case of a "suspension of transmissions for over 60 days, except for unusual circumstances, a single, 180-day extension will be granted." The government measure came under strong criticism yesterday, but Cabrera denied that the cancellations are prompted by the friendship of the radio station owners with deposed General Manuel Antonio Noriega.

Prosecutor Orders Ex-President, Major Arrested

PA2409004690 Panama City Circuito RPC Television in Spanish 2300 GMT 21 Sep 90

[Report on news conference by Third District Prosecutor Eda Vargas with unidentified reporter; place and date not given]

[Text] Third District Prosecutor Eda Vargas has ordered the arrest of former Major Moises Correa and former President Manuel Solis Palma for their role in the creation of Codepadis [Committees for the Defense of the Fatherland and Dignity] and Dignity Battalions.

[Begin recording] [Vargas] We issued an order on 19 September 1990. The order reads as follows: Subsequent to a detailed reading of the elements that comprise this criminal investigation conducted against Manuel Solis Palma, Manuel Antonio Noriega, Benjamin Colamarco Patino, Enrique Thomson, Moises Correa, and others, for alleged crimes against individual freedom, the economy of the country, the internal security of the state,

and more, as denounced by Genarino Rosas Rosas, the signer of this document notes that page five of this document carries a memorandum signed by Mr. Manuel Solis ordering the creation of Codepadis. Thus, we have serious reason to believe that he had a role as instigator in the unlawful actions mentioned in the inquest. Moises Antonio Correa Alba is also linked to this crime.

We base this information on the testimonies of Armando Hurquilla Sanchez, Felix Cedeno Villarreal, and Rolando Sterling Arango. Because the aforementioned crimes entail a prison term and since the persons mentioned above are linked to them, the prosecutor signing this document has ordered the arrest of those persons. It is also worth noting that previous writs indicate that Solis Palma and Correa had asked to post bond to stay out of jail, but their requests were turned down twice; therefore, they can be arrested.

[Reporter] Do you mean the two men are now fugitives?

[Vargas] No. Solis Palma has not been arrested yet. Correa was arrested this morning in Chiriqui Province. [end recording]

Article Questions Government's Economic Strategy

PA2109201290 Panama City PANORAMA CATOLICO in Spanish 16 Sep 90 pp 10, 11

[Article by Jose V. Cummings: "An Opinion On The New Economic Strategy"]

[Text] Some days ago, I attended a talk on the economic strategy that the current government is trying to implement. The explanations given and the discussions held after did not dispel my concern and have prompted me to express my opinion on the government's economic strategy. I believe it is important that the strategy and its medium and long-term consequences be fully explained to the people. I am not a priest, but I am interested in the fate of many Panamanians; thus, my unease. My purpose is to briefly highlight the main points of the strategy and note their possible consequences on some sectors of our society.

In the first place, this strategy can hardly be called "national." The economic strategy is included in the Agency for International Development [AID] Donation Agreement, Art. II—Conditions Prior to AID Disbursement. The agreement has two texts—one in English and one in Spanish. In case there are ambiguities in the interpretation, the official text in English prevails. This fact stands out very much and means that the plan was imposed from outside, specifically by AID. Panama has to implement these conditions to receive funds from this financial organization. A plan imposed from outside is not going to take the country's interests into account. Our current situation is critical and requires that our national interests be considered. Everything seems to indicate, however, that one of the strategy's basic goals is to pay the foriegn debt.

This economic program hinges on two significant factors. The first is privatization. This calls for the government to withdraw from economic activities, especially from nonstrategic industries, with the intention of allowing private investment. The government will be able to save money by reducing its payroll. The cost, however, will involve unemployment and the deterioration of social services, and what the government saves will be used to pay the foreign debt.

Allegedly, state firms are not profitable. The truth is that any firm that is not managed properly is unprofitable. With efficient management, however, firms such as Air Panama or Cemento Bayano could produce income for the national treasury. These revenues could later be used to improve the social services that the government is obliged to provide its citizens.

The second factor is liberalization of the national market. Specifically, this refers to a change in import tax policies and the liberalization of import restrictions. The objective is to make Panama more competitive on the international market. According to some economists, however, the real effect of this measure would be the complete opposite.

The mechanisms that will be used to deregulate the market include the elimination of price controls and customs tariffs and taxes imposed on certain imported products. Once this is done, the market game of supply and demand would supposedly balance the market, like an invisible hand. The competitive industries that can produce products at a price that is considered acceptable by consumers will survive; the other industries will disappear, according to theory. Who will the local industries compete against if we implement more open import policies? They will not compete against other Panamanian industries or against foreign companies established in Panama. In this unfair competition, their counterparts will be the imports that are subsidized by the governments of the countries from where the products come from. What will happen when it becomes cheaper to import rather than produce things in Panama? Our industrial, construction, and agricultural sectors will disappear and leave the way clear for import trade. It does not require much thought to figure out what will happen to our peasants and workers.

Obviously, the economic strategy does not favor either the industrial or the agricultural sectors in the long run. Who will this strategy benefit? It will benefit the commercial and service sectors. And we wonder why the big Panamanian industrialists have not complained more strongly about this hardly encouraging panorama? No one answer exists for all cases. Some businessmen will be able to transfer their investments from the industrial to the commercial sector, and others will become minority partners of the multinationals so that their earning potential will not be so negatively affected. We wish the workers and peasants could do the same thing.

At the beginning of this article, I said that I was writing it because of concern for our nation's most needy groups. After briefly examining the main concepts included in the economic strategy, we must try to reach some conclusions. First, it is not a Panamanian strategy. It is not based on the pressing needs of most Panamanians, and it does not respond to those needs. In addition, it seems to me that the document treats men as though they were items to be bought and sold based on economic indexes. Man's work force is exploited at the lowest possible cost and responsibility, without taking into account his dignity as a creation in God's image and without taking into account that men are human beings with both personal and family responsibilities.

Finally, the social consequences of the economic strategy are an attack on certain human rights. If the document remains as it is and the public services continue deteriorating, the right to work, education, health, and, therefore, life will be clearly threatened. The same state that should protect those rights will be jeopardizing them. If all the phases of this strategy and the consequences specified here are finally implemented, it will be like saying: The operation was a success, but the patient died.

People's Party Demands End to U.S. 'Occupation'

PA2309193690 Panama City EL PANAMA AMERICA in Spanish 20 Sep 90 p 7-A

[Text] In a communique, the People's Party [PdP] has demanded that the United States "immediately end its occupation of Panama, the same way that Bush and Gorbachev are demanding Iraq's withdrawal from Kuwait."

The PdP's Politburo also asked for solidarity from the international public, so that the Panamanian problem will be heard with equal interest in international organizations.

The demand is based on the Gorbachev-Bush declaration at the Helsinki summit, in which they stated that "a peaceful international order is not possible if bigger states devour their smaller neighbors."

"This is important because Bush, the representative of a big state, acted against all international principles and against the spirit of the Helsinki declaration when he waged a genocidal war to seize and occupy Panama with the pretext of capturing a drug trafficker and establishing a U.S.-styled democracy, which the people have not experienced after eight months of annexation," the communique says.

Argentina

President Menem To Travel to U.S., Venezuela

PY2409184890 Buenos Aires Domestic Service in Spanish 1600 GMT 24 Sep 90

[Text] President Carlos Saul Menem has reiterated the announcement that next Thursday he will travel to Venezuela. While there he will hold two official meetings with colleague Carlos Andres Perez, with whom he will analyze the integration process and George Bush's Initiative for the Americas. Later he will travel to New York where next Saturday he will participate, along with 80 heads of state, in a UNICEF-promoted meeting to analyze the issue of children's rights.

As for a possible meeting with U.S. President George Bush, President Menem said that a private meeting has not yet been scheduled. He added that a meeting among the presidents of Argentina, Brazil, Uruguay, and Chile with the U.S. President is scheduled for 1 October, when in addition to analyzing the U.S. free-trade zone proposal, an attempt will be made to discuss the trade protectionist policy of the U.S. Government.

Further on Troop Deployment to Gulf

PY2409222490 Buenos Aires BUENOS AIRES HERALD in English 24 Sep 90 p 7

[Excerpts] (DYN-NA)—Two Argentine warships carrying a combined crew of 300 leave from Puerto Belgrano tomorrow morning to join the multinational force imposing a naval blockade against Iraq for its annexation of Kuwait last month. [passage omitted]

President Carlos Menem yesterday denied Argentina was seeking US approval by sending troops to the Gulf: "Argentina hasn't taken on this responsibility to gain favours from the United States, the International Monetary Fund, the World Bank or our creditors and friends ... I think the only important thing is that Argentina is finally where she belongs in international relations."

If war breaks out in the Gulf "we will ask Congress for approval" before ordering troops into combat action, Menem said.

The Argentine President returned from his native province La Rioja yesterday and was interviewed by reporters upon his arrival at Aeroparque airport. "In case war breaks out in the Middle East, the Argentine vessels, located behind the first line of fire, will immediately fall back." The President denied any disagreement among the military on sending troops to the Persian Gulf and added that popular opinion has changed and now supports his decision.

"I think," he said, "that people finally realize that Argentina needed such an attitude."

Menem denied Argentina had always been neutral in international conflicts. "It was General (Juan Domingo) Peron himself who broke with that policy by declaring war on the Axis nations in 1945.

"Although it's true that this was during the last moments of war, neutrality was broken, a neutrality which floated in the world as a pacifist concept of peace," Menem said.

Syrian Ba'th Official Comments on Gulf Situation

PY2509034090 Buenos Aires TELAM in Spanish 0139 GMT 25 Sep 90

[Text] Neuquen, 24 Sep (TELAM)—Abdallah al-Ahmar [name as received], deputy secretary general of the Syrian Arab Socialist Ba'th Party, stated here today that "a military outbreak is a latent possibility if Iraqi troops remain in Kuwait and if they do not withdraw from that country."

The Syrian representative described "the Gulf situation as tragic and disquieting for everyone [words indistinct] for us," because "the situation that provoked the crisis was initially an Arab problem and we, Arabs, are trying to resolve it."

al-Ahmar, who is visiting Neuquen as the head of a Syrian delegation, made those remarks to the local radio station, Radio Universidad. He said: "The Argentine decision to send troops to the Gulf area was a sovereign decision." He added that the Argentine decision "was made before our arrival in your country."

al-Ahmar added: "A military outbreak is a latent possibility if Iraqi troops remain in Kuwait, if they do not withdraw from that country." He expressed his desire that "the situation may not "(go to extremes)" and reaffirmed that they are determined "to continue to take action to avoid this outbreak."

Cavallo Meets With Iran's Foreign Minister

PY2509013090 Buenos Aires TELAM in Spanish 0047 GMT 25 Sep 90

[Text] Buenos Aires, 24 Sep (TELAM)—Iranian Foreign Minister 'Ali Akbar Velayati has explained to his Argentine colleague, Domingo Cavallo, that "the cargo of 140 tons of meat that had Iraq as its destination, a report that was cited by the media, did not pass through Iranian territory."

The Argentine Foreign Ministry has issued a report on the meeting Cavallo had today with Velayati in New York within the framework of the 45th UN General Assembly.

The Iranian foreign minister maintained that his government is "firmly disposed to comply with what is established [words indistinct] Council that ordered a trade (?embargo) against the Iraqi Government."

As an example, the Iranian foreign minister said: "Within the past few days 30 traffickers have been

arrested on the Iranian-Iraqi border for having tried to violate the trade embargo ordered by the international organization."

Navy Ships To Participate in Joint Exercise

PY2409232290 Buenos Aires TELAM in Spanish 1525 GMT 24 Sep 90

[Text] Bahia Blanca, 24 Sep (TELAM)—Argentine Navy ships will carry out joint exercises with U.S. ships off the Atlantic coast as of 27 September. This involves rejoining the "Unitas" exercises.

The Argentine Navy last participated in these exercises in mid-1981 when Argentina discontinued its participation because of the Malvinas Islands war.

The exercises will be carried out within the framework of "Unitas 31." The Argentine Navy ships that will be participating in these operations are the Meko 360-type destroyers "La Argentina" and "Sarandi," the Meko 140-type frigate "Espora," the military transport ship "Cabo de Hornos," the reconnaissance, attack, and antisubmarine warfare air squadrons headquartered in Espora, and the 1st Marine Brigade.

The North American ships that will be participating in these operations are the "Harlan County," a landing ship, the guided missile destroyers "Josephus Daniels" and "Hayler," and the nuclear submarine "Greenling."

The Unitas operations basically consist of antisubmarine and convoy protection exercises at sea. This year these exercises began in the northern Pacific Ocean. The U.S. fleet alternates practicing with each country that has a coastline. The U.S. fleet is now carrying out joint exercises with Chile.

Poll Gives Justicialist Party High Rating

PY2409221490 Buenos Aires BUENOS AIRES HERALD in English 24 Sep 90 p 7

[Text] (NA)—According to private polls, if elections were held today the Justicialist Party would recieve 49.9 percent of the vote while the Radical party would receive only 24.9 percent. The United Left (UI) would replace the Democratic Centre Union (UCeDe) in third place with 14.9 percent of the vote. The Justicialist lead however would not be due to President Carlos Menem's actual politics but because the Justicialist Party managed to form a "tangible party for citizens." These polls also revealed that 49 percent of those questioned did not have a high opinion of the President.

Wage Council Raises Minimum Wage for Workers

PY2409234090 Buenos Aires TELAM in Spanish 1634 GMT 24 Sep 90

[Text] Buenos Aires, 24 Sep (TELAM)—The Basic and Adjustable Minimum Wage Council [Consejo del Salario Minimo, Vital y Movil] has unanimously established 720,000 australes as the minimum income for all employed workers. The former minimum wage of 20,000 australs had not been changed for 14 months.

This was reported by Enrique Rodriguez, president of the tripartite organ and a Labor Ministry adviser, who added that the new minimum wage will be retroactive to 1 September.

Correction to More on Alleged Beef Shipment

PY2409145990

The following correction pertains to the to the item headlined "More on Alleged Beef Shipment," published in the 24 September Latin America DAILY REPORT, page 18:

Page 18, column two, paragraph four, only sentence make read: ...office of the Treasury General Counsel [procuracion del tesoro] to order the... (rewording and supplying vernacular).

Correction to Menem Confirms Firing

PY2509013890

The following correction pertains to the item headlined "Menem Confirms Firing," published in the 24 September Latin America DAILY REPORT, page 19:

Column two, paragraph one, only sentence make read: ...Government in sending 140,000 [number as received] tons of meat... (adding editorial note).

* Need To Change Political Structures Underlined

90SM0244A Buenos Aires LA PRENSA in Spanish 12 Aug 90 p 9

[Report by Sergio Crivelli]

[Text] The political leadership has in recent days devoted most of its energies to rebuilding the top rungs of Peronism and the UCR [Radical Civic Union], swept away by the avalanche of opposing votes in the Buenos Aires plebiscite. Both parties made an attempt to redistribute posts and those directly responsible for the defeat: Antonio Cafiero and Leopoldo Moreau, were removed. However, it appears to be but an initial makeover, the first step in the direction of a more far-reaching and inevitable change aimed at adapting political structures to meet the difficulties of a socioeconomic situation that shows no immediate prospect of improvement.

Since the fall of Bernardo Grinspun, all the individuals who have successively occupied the post of minister of finance have tried, with varying degrees of success, to apply an economic adjustment not yet accompanied by any political adjustment. The parties have changed neither their strategy nor their rhetoric and the result is obvious: The stability of leaders is ephemeral. Alfonsin retained the confidence of voters for nearly three years; Cafiero for two. If Carlos Menem does not manage to

gain sufficient control of economic variables by 1991, he will face a defeat similar to that of the previous two.

Only hours before, a sociologist and political adviser specializing in public opinion polls defined the election picture in the following terms: "Society is acting like many patients. It is looking for a doctor to solve the problem and does not worry about the medicine. It places its trust in him, but if he does not obtain good results, it changes doctors. This is not an ideological issue or a matter of the defeat of social democracy or the triumph of liberalism. What does not work is discarded with increasing speed."

Given the political panorama, it is obvious that there are no set political situations. It is perhaps for this reason that in the struggle now raging in the ruling party over who will succeed Antonio Cafiero, Vice President Eduardo Duhalde sidestepped the issue, acting almost like an observer of the sweep of the Peronist leadership by the "blues": Eduardo Menem, Eduardo Bauza, and Jose L. Manzano, and the "flame reds": Barrionuevo, Arias, and so on.

Combined Leadership Posts

In the immediate future, Cafiero's defeat means the disappearance of the "Peronist renewal" and the elevation of verticalist Menenism in the Peronist Party. Like Alfonsin, Menem opted to go it alone and will run the government with one hand and the party with the other. For his part, Duhalde is more interested in gaining control of Buenos Aires Province, and the leadership allied with Cafiero will end up shifting into his ranks sooner or later. Italo Luder's name has already begun to be mentioned as a candidate for governor next year, but the possibility that he might personally throw his hat into the ring should not be ruled out.

The situation in the UCR has become critical. The latest Tucuman elections showed that its voting weight may be under 10 percent and most of the 33 points obtained in Buenos Aires were not definitely supplied by Alem's party. Alfonsinism continues to drop and it seems unlikely that the former president will be able to control the next national committee. Consequently, it is not out of the question to presume he will be forced to go on vacation, as his "operator," Leopoldo Moreau, had to do. Emerging from the Buenos Aires plebiscite with greater strength in the district were Juan Manuel Casella and Melchor Posse and, on the national level, Eduardo Angeloz, who observed the Renewal and Change disaster from front-row seats.

Pierri-Albamonte?

In contrast, the situation in the UCD [Democratic Center Union] is confusing and Alberto Albamonte's emergence as an active propagandist for the "No" vote roused quite a stir. Albamonte, defined as "Menem's man in the province" by his liberal peers, seems to be at a distance from Federico Clerici and Francisco Duranona y Vedia, the latter being defined in turn as "Alsogaray's man in Buenos Aires." Those who know the internal workings of the UCD swear that the bitter opponent of Mazzorin and his chaps dream of an Alberto Pierri-Alberto Albamonte formula for 1991 and let it slip out that in his costly television campaign against the Buenos Aires reform, he received Peronist support. They also claim that Alvaro Alsogaray does not support common lists with the Peronist Party and is inclined toward an understanding after the elections.

However, such political alchemy precisely eludes the thorough adjustment which parties must make in order to adapt their election "supply" to society's "demands." It is not useful in overcoming the divorce now evident between the political leadership and voters or in resolving the daily more notorious crisis in the mediating role of the parties.

Will there be election reform? Will they opt for the law of slogans or uninominal election per deputy district? One must rule out the possibility that the Radicals will accept a reform that will weaken its party structure to the point of disappearance. Moreover, there is nothing to indicate that Menem will take a different view. During his last term as governor of La Rioja, he pigeonholed the election reform drafted by his minister of government based on simple logic: As the province's strong man, he reserved the possibility of "suggesting" the lists of candidates, which would escape his sphere of influence under a system different from the one now in effect.

Above and beyond the provincial background of the president, there are other more closely-related factors clouding expectations of any election reform. Along with the Menem offensive on leadership of the PJ [Justicialist Party] National Council, a rumor constantly circulated concerning the sending of inspectors to district councils. This would enable Menemism to exert pressure for the selection of "unity" lists, avoiding the internal struggle and, wherever there is a risk of losing next year, forming alliances with provincial parties.

Nevertheless, any future strategy will be subject to a cardinal factor: how the economy performs during the last quarter of 1990 and first quarter of 1991. Some accounts have still not been settled and the structural reform on which little progress has been made is being delayed. There is no other way to explain why, in the midst of the worst recession in recent years, inflation cannot be brought under two digits.

Images

If, as the experts wanted, ideology has been removed from politics and it has been turned into a simple game of images in which one looks for a leader to whom the task of solving problems can be entrusted, then what will happen if Menemism blunders next year?

Based on the recent behavior of Buenos Aires voters, there are few answers to the question. Only two leaders

appear to be credible alternatives in the polls: Eduardo Duhalde and Eduardo Angeloz. It is unthinkable that the former would escape a defeat of his own party and the latter is being courted by a government trying to give him the proverbial bear hug.

Aside from these alternatives, one trend detected by FUCADE [Foundation for Change in Democracy] in its recent field study of the effects of the socioeconomic crisis on middle- and low-income sectors of the population should be noted. The report states that "the discredit suffered by majority political parties and their leaders leads to a need for new leadership. However, the lack of any idea of representation results in an attitude of waiting for a leader to come along from outside the existing structures. These groups' demands for such a leader can be summed up by the saying, "Let them tell us who it is and give him to us." What could be clearer?

Brazil

Iraq Issues More Exit Visas, Airlift Ordered

PY2509012090 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 24 Sep 90

[Text] A new problem is delaying the departure of Brazilian citizens detained in Iraq. The U.S. bank, Manufacturers Hanover Trust, did not send $300,000 deposited by the Mendes Junior construction firm to pay for a plane that is to bring the Brazilians back from Iraq.

The following is a report from Baghdad by Silio Boccanera.

[Begin recording] [Brazilian Ambassador Paulo Tarso Flecha de Lima] I am pleased to report to you that we have 120 more passports with the required exit visas stamped on them. Thus, we are getting closer to the overall number of Brazilians who should be returning to our country.

I would also like to report that our flight will include another passenger, or perhaps two: A Brazilian woman who is nine months pregnant will travel with us along with the required assistance of physicians who are also returning to our country.

[Boccanera] Negotiations with Saddam Husayn to obtain the release of the Brazilian citizens seem like a complicated game of checkers, with pieces being slowly moved on the board. The problem is that when the Brazilians believe they are winning the game, the Iraqis make it known that it is no longer a game of checkers, but is now a chess game. [end recording]

Acting President Itamar Franco has just ordered Itamaraty to take immediate action to bring all Brazilians in Iraq with exit visas home. The Brazilian Foreign Ministry will now decide whether to use a chartered Iraqi plane or a Brazilian Air Force aircraft that was prepared a few weeks ago to bring the Brazilians back.

Colonel Arrested for Criticizing President

PY2209145090 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 22 Sep 90

[Text] For criticizing the president of the Republic, Colonel (Marcio Vianna Pereira), retired, is being held in custody at the garrison of the 24th Chasseur Battalion in Sao Luiz.

In an article published by Brasilia and Rio de Janeiro newspapers, the colonel expresses his disappointment over the fact that civilian employees and the Armed Forces have not been granted a salary increase.

Col. (Vianna Pereira), a former professor at the National Intelligence School, will be held under arrest until next Tuesday. He said he will ask the courts to revoke the punishment.

World Bank Loans Depend on Creditors' Accord

PY2309232490 Rio de Janeiro O GLOBO in Portuguese 22 Sep 90 p 31

[Report by Silvia Faria]

[Excerpt] Washington—Yesterday, two World Bank staff sources guaranteed that the World Bank (IBRD), which today represents one of the very few sources of foreign funds for Brazil, will not approve any new sector financing (involving quick disbursements and larger amounts earmarked for long-term investments) as long as Brazil does not enter an agreement with the private [creditor] banks. Under strong pressure from private [creditor] banks and the U.S. Government against guaranteeing, through new loans, the Brazilian technical moratorium, the IBRD will only be allowed to grant minor loans for social investment, environment, and privatization projects, World Bank officials have said. [passage omitted]

Minister Says Navy Needs Airplanes, Submarines

PY2409223490 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Sep 90 p A-10

[Text] The Navy Minister [Admiral Mario Cesar Flores] is convinced that a Brazilian nuclear submarine is one of the few things that in the medium term, will give Brazil some capability of "long-range defense;" in other words, the capability to operate far off the coast. The minister also believes the Navy must have at least two other things like that: A squadron of AMX-type attack planes equipped with air-to-sea missiles, and a squadron of long-range planes for maritime patrolling.

Petrobras Strikes Oil in Santos Basin

PY2209143290 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 22 Sep 90

[Text] Petrobras [Brazilian Petroleum Corporation] has announced the discovery of petroleum in a well drilled in

the Santos Basin. This well can reportedly produce more than 150 million barrels of oil and 8 billion cubic meters of natural gas.

The new petroleum well is locatated some 170 km off the coast of Parana and Santa Catarina states.

Recommendations of Nuclear Affairs Group Viewed

PY2209132490 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Sep 90 p 20

[Text] Brasilia—Brazil must continue developing its autonomous nuclear technology program—the so-called parallel program—and must go ahead with the construction of Angra-2 and Angra-3, which are part of the agreement with the FRG. This agreement also provides for the construction of two additional nuclear plants without a public call for bids. These are some of the decisions set forth in the final report of a working group that President Fernando Collor set up to review the Brazilian Nuclear Program. O ESTADO news agency had exclusive access to this report.

The working group does not suggest mechanisms to obtain funds, nor does it mention any figures regarding the money that would be necessary to finish building Angra-2 and Angra-3. The group merely establishes a deadline for putting these power plants in operation: December 1996 for Angra-2 and December 1998 for Angra-3. Two other nuclear plants should be built between the years 2000 and 2010. These plants will be designed locally, and Brazilian industry will be given a chance to participate.

The report states that the fuel rods factory in Rezende, Rio de Janeiro, should be finished. This factory will be able to produce fuel rods at an industrial scale only after the appropriate technology which is being developed in Ipero [Sao Paulo State municipality where the Aramar Experimental Center is located] becomes available.

Since Brazil has practically mastered the fuel cycle, the nuclear program is aimed at a new target: the construction of a pilot plant for the reprocessing uranium with local technology between 1996 and the year 2000. Yet another objective is a plant capable of processing uranium ore into yellow cake [preceding two words in English] (uranium concentrate), also using local technology.

The working group recommended that the separators factory in Rio de Janeiro be closed down. National resources should be concentrated on the project to develop of the ultracentrifuge method for uranium enrichment which is being carried out by the Navy at the Institute for Nuclear and Energy Research (IPEN).

This project was awarded certain priorities under the new nuclear program. One of them is the building of a graphite-controlled, gas-cooled reactor. The report that the working group submitted to the president recommends that a minimum reserve of uranium should be built up at the rate of 100,000 tons per year over the next five years to supply fuel for the nuclear power plants. This reserve is the subject of broad negotiations between government and private businessmen. In the final agreement the government will make give private businessmen geological information and the available technology to manufacture yellow cake. In exchange, private companies will build up the minimum reserve.

Cetex Studying Chemical, Biological Weapons

PY2109193090 Rio de Janeiro O GLOBO in Portuguese 20 Sep 90 p 21

[Report by Paulo Motta]

[Text] General Romero Lepesqueur, Army science and technology secretary, told O GLOBO last week that the Institute for Special Projects (IPE) of the Army Technological Center (Cetex) in Guaratiba, Rio de Janeiro State, will in the future carry out research in the area of chemical and biological warfare, beside its projects in the nuclear field.

"This does not mean we will manufacture chemical or bacteriological weapons, but we want to study their effects to develop antidotes, just as radiation must be studied to develop radiation protection," Lepesqueur said.

According to IPE Director General Nelson Querido, the Army nuclear project foresees the development of the so-called Experimental Irradiation Reactor (REI)—which uses metallic uranium as fuel, is controlled by pure graphite, and is cooled with air—with the purpose of mastering the technology of gas-graphite reactors, whose main example is the Modulated High Temperature Gas- Graphite Reactor (MHTGR), still being developed in several parts of the world. Cetex has a subcritical unit (in which nuclear reactions are studied), but the REI may yield as a by-product nearly 400 grams per year of plutonium, the key element in atomic bombs.

This plutonium, as well as the plutonium generated by the Navy reactor planned for the first Brazilian nuclear submarine, will not be under international safeguards—this means it will not be inspected—and it will be reprocessed with technology developed by the Institute for Nuclear and Energy Research (IPEN) run by the National Commission for Nuclear Energy (CNEN) in Sao Paulo.

The Army Science and Technology Secretariat was created in 1984. It has jurisdiction over the Military Engineering Institute (IME) and three centers: the Operational Evaluation Center, the Engineering Evaluation Center (which has a test facility in Restinga da Marambaia), and Cetex, which is subdivided into the Development and Research Institute, and the IPE.

The Army Science and Technology Secretariat has nearly 500 military and civilian scientists and experts, many of whom studied in the United States, France, and

England. According to Lepesqueur, the objectives of this secretariat are to evaluate, prepare, and train human resources and to carry out research and development in three fields: doctrine, personnel, and above all, military materiel.

"We do not manufacture these items; we only develop and evaluate them. The Army may even use our projects in Imbel (War Materiel Industry) products, but our policy is to pass our technology to private companies," Lepesqueur said.

Financial System Reportedly 'Straightened Out'

PY2209151690 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 22 Sep 90

[Excerpt] Before leaving for the United States, Economy Minister Zelia Cardoso de Mello said in Sao Paulo that the financial system has been straightened out with the liquidation of eight financial institutions decreed last Thursday by the Central Bank.

[Begin Cardoso recording] After these interventions, we can now say with absolute assurance that the financial system has been straightened out and there will be no more interventions. [end recording] [passage omitted]

Infrastructure Ministry Chief of Staff Appointed

PY2209174390 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Sep 90 p A 4

[Summary] Infrastructure Minister Ozires Silva has announced the appointment of Antonio Marcos Lobo as new ministry chief of staff, replacing Edisio Gomes de Matos. The latter had been pressured to leave by groups close to Planalto Palace after he advised Minister Silva to revoke a resolution allowing the SOS Highways Program [national highway repair program] to be implemented without calling for bids.

Government Continues To Oppose Quota Accord

PY2509140290 Madrid EFE in Spanish 1637 GMT 24 Sep 90

[Report by Oscar Rodriguez Aguilar]

[Text] London, 24 Sep (EFE)—Brazil announced today that the moment is not right for negotiating a world quota agreement on coffee exports. This could mean that the free market system for coffee will be extended for at least another three years.

Joao Rodrigues da Cunha, Brazilian Economy Ministry deputy minister, today revealed to the International Coffee Organization (OIC) council that for the time being, Brazil opposes implementation of a new coffee export quota system.

The meeting was held behind closed doors. However, EFE learned that Da Cunha said the year during which the organization operated under a new agreement without economic clauses was not enough to evaluate the coffee situation in a free market and that "the situation is not ripe" for reintroducing the quota system.

The quota system was suspended in July 1989 when negotiators failed to reach an agreement on renewing it. Since then, coffee exporters have operated in a free market. During this time, producing countries were able to export more, but at lower prices.

At the end of the council meeting, Da Cunha confirmed to EFE that Brazil was against negotiating a new quota agreement, although it favored extending the coffee agreement—without economic clauses—for one more year when the two-year extension agreed upon in 1989 expires next year.

According to analysts, the position of Brazil, the largest coffee producer in the world, could mean that producers will continue operating in a free market for at least another three years.

Central American countries are not eager to return to the quota system because the coffee they produce—the "other softs" [otros suaves] type—is in great demand, and they are currently exporting more than ever before, although at lower prices.

The experts believe that in the next few years, Brazil will try to recover the markets Central American countries have snatched away from it in order to reclaim its old 30-percent share in overall quotas.

Central American delegates attending the OIC meeting in London have stated that they will not accept their previous share of the world market in future negotiations on the quota system and that in the past, their exports were limited by very small quotas.

According to experts, Colombia could be the producing country that is worst hit by the lack of a quota system and a guarantee of reasonable prices.

The Brazilian official refused to give a tentative date or specify when his country would be ready to negotiate a quota system.

Da Cunha told EFE that his country supported an extension of the present agreement without economic clauses for one more year, or until September 1992, to have more time to evaluate the situation and the effects of a free market on coffee exports.

The Brazilian delegate reiterated that his country has not ruled out all discussions on the situation, and that it is open to consultations and ready to listen to proposals from other producer countries.

Presently, Brazil has a reserve stock of over 17 million coffee bags, although they are believed to be reserved for local consumption due to low quality, and it is estimated that this year's harvest will be 22 million bags.

Memorandum of Understanding With IMF Issued

PY2209184090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 14 Sep 90 p D 12

[Text]Technical Memorandum of Understanding

I. Liquid internal reserves of the Central Bank of Brazil

In accordance with the letter of intent dated ... September 1990, this technical memorandum and the attached tables define the concepts used in the quantification of some variables in the economic program and specify targets for the period to December 1991.

1. The objective regarding overall results of the balance of payments is to limit the deficit to $6 billion in 1990 and to $2.4 billion in 1991, an objective that can be attained through the expected rescheduling and extraordinary financings from official sources. Keeping in view the attainment of that objective, the performance of the balance of payments will be measured by the variation of liquid international reserves at the Central Bank of Brazil as defined in line 5 of Table 1. Consistent with the objective for the balance of payments, the liquid international reserves should not drop below negative $5.36 billion on 31 December 1990, negative $8.97 billion on 31 March 1991, negative $8.52 billion on 30 June 1991, negative $9.94 billion on 30 September 1991, and negative $7.74 billion on 31 December 1991. These amounts will be 1) increased by the accumulated total of granted loans disbursements (including eventual provisional financings) from creditor banks; 2) decreased by the lack of additional disbursements from multilateral and official creditors referred to in paragraph 28.b of the letter of intent; and 3) increased (decreased) by the surplus (shortfall) resulting from the effective rescheduling prior to the "cut-off" date that comes due in 1990 and 1991, of the foreseen amounts of financing from the Paris Club ($1.044 billion and $1.499 billion, respectively). Adjustments to objectives resulting from the use of reserves for debt reduction operations will be subject to consultation with the IMF.

II. Liquid internal credit of the Central Bank of Brazil

2. For the purpose of this program, the liquid internal credit of the Central Bank of Brazil is defined as the paper currency in the hands of the public measured by the average of daily balances, which totaled 432.4 billion cruzeiros on 31 July 1990, minus international liquid reserves (line 5 of Table 1) converted into cruzeiros at the accounting exchange rate previously agreed upon. The liquid internal credit thus defined will not exceed 1.050 trillion cruzeiros on 31 December 1990; 1.34 trillion cruzeiros on 30 June 1990; 1.51 trillion cruzeiros on 30 September 1991; and 1.45 trillion cruzeiros on 31 December 1991.

III. Public sector financing needs

3. The public sector financing need (NFSP) is defined as the liquid financing obtained by the nonfinancial public sector from the internal financial sector, the private nonfinancial sector, and external sources. The NFSP is calculated as the sum of the liquid variation of the internal public debt balance, plus the liquid external financing, plus liquid resources coming from the privatization of state-owned enterprises. The nonfinancial public sector includes the Federal Government (fiscal and social security), liquid subsidies for official credit operations, state and municipal governments, nonfinancial public enterprises, and decentralized agencies. The internal financial system includes the Central Bank of Brazil, the Bank of Brazil, the commercial banks, the multiple banks, the nonmonetary financial institutions—BNDES [National Economic and Social Development Bank], BEDES [expansion unknown] (including development portfolios at the commercial banks), CEF [Federal Savings Bank], CEE's [expansion unknown], APE [Savings and Loan Association], SCI [expansion unknown], SCFI [expansion unknown], investment banks, and SAM [expansion unknown].

4. The internal debt balance consists of the liquid credit granted to the nonfinancial public sector by the internal financial system, the suppliers' credits, the Treasury securities (whose nominal interest is credited on a pro rata basis) held by the public, minus those held by the nonfinancial public sector and the securities issued by the state and municipal governments, as defined in Table 2.

5. The liquid credit granted to the Federal Government by the Central Bank is measured as: (a) the federal public securities held by the Central Bank, plus (b) any other credit granted to the Federal Government by the Central Bank, minus (c) the Federal Government's deposits, minus (d) the liquid nominal result of the Central Bank prior the liquid adjustments for the variation of the value in cruzeiros of the assets and obligations denominated in foreign currency and prior to the monetary correction of total holdings. The flow of external resources to the Central Bank should be measured by the entries in the accounting of a fiscal year.

6. The liquid credit granted to the rest of the nonfinancial public sector by the Central Bank is measured as the credit granted by the Central Bank after subtracting the deposits from the rest of the nonfinancial public sector.

7. The liquid credit granted by the Bank of Brazil, the commercial banks, the multiple banks, and the nonmonetary financial institutions is defined as the sum of (a) the balance of the Treasury securities held by those institutions, (b) any other credit granted by those institutions to the nonfinancial public sector, minus (c) the deposits from the nonfinancial public sector in those institutions, minus (d) the pending taxes owed by those institutions to the Treasury or the state and municipal governments.

8. The liquid credit coming from the nonfinancial private sector is defined as (a) the suppliers' credits and (b) the federal public securities held by the nonfinancial private sector, in turn, defined as the total of securities

issued plus their nominal interest (as reported by the National Treasuty Department (DTN), minus the federal public securities held by the Central Bank, the Bank of Brazil, the commercial banks, the multiple banks, the nonmonetary financial institutions, the social security system, and the public enterprises.

9. The liquid external financing is defined as the sum of the monthly liquid flows (disbursements minus amortizations) of foreign currency converted into cruzeiros by the average exchange rate in (a) registered foreign currency deposits from the nonfinancial public sector and (b) other external financings (including short-term financing) for the nonfinancial public sector.

10. The NFSP, measured since 1 January 1990, should not exceed 8.67 trillion cruzeiros on 31 December 1990; from 1 January 1991 forward, the accumulated NFSP should not exceed 325 billion cruzeiros on 31 March 1991; 620 billion cruzeiros on 30 June 1991; 1.25 trillion cruzeiros on 30 September 1991; and 1.923 trillion cruzeiros on 31 December 1991.

IV. Public sector operational result

11. The operational result of the nonfinancial public sector is defined as the NFSP, as defined in Section III, minus the sum of monetary and exchange corrections applicable to the balance of the internal public debt included in the financing need of the public sector.

12. (a) The monetary correction on the balances denominated in local currency is made by multiplying the corresponding balance at the end of the preceding month by the variation of the IPC [Consumer Price Index] calculated by the IBGE [Brazilian Institute of Geography and Statistics] for the period running from the 15th of the current month to the 15th of the following month, compared with the IPC of the preceding 30 days.

(b) The exchange correction in a given month on the securities, loans, and other assets or obligations denominated in foreign currency is made by multiplying the balance at the end of the previous month by the percentage variation of the cruzeiro value in relation to the U.S. dollar used in commercial transactions (sales) during said month.

13. The operational result of the nonfinancial public sector measured from 1 January 1990 will post a surplus no lower than 157 billion cruzeiros on 31 December 1990; measured from 1 January 1991, the accumulated surplus will be no lower than 110 billion cruzeiros on 31 March 1991; 270 billion cruzeiros on 30 June 1990; 140 billion cruzeiros on 30 September 1991; and zero on 31 December 1991. The result projected for 31 December 1990 includes a liquid interest account for state-owned enterprises, adjusted for inflation, of 696 billion cruzeiros. The limit for the operational result on 31 December 1990 will be reduced (increased) by the excess (shortfall) above (below) 696 billion cruzeiros in the liquid interest account of state-owned enterprises, adjusted for inflation.

V. Foreign debt liquid disbursements

14. The limits of total liquid foreign debt disbursements will be defined as the difference between disbursements and amortizations of the medium- and long-term debts of the public and private sectors, plus the variations in the balance of the short-term foreign debt of the nonfinancial public sector, as described in Table 3. The liquid disbursements thus defined will not exceed negative [less than amortizations] $1.7 billion during the 12-month period ending on 31 December 1990; negative $2.8 billion during the 15-month period ending 31 March 1991; negative $2.3 billion during the 18-month period ending 30 June 1991; negative $3.2 billion during the 21-month period ending 30 September 1991; and negative $2.6 billion during the 24-month period ending 31 December 1991. These sums will be 1) increased by the accumulated total of disbursements on loans agreed to (including eventual provisional financing) with the creditor commercial banks; 2) reduced by any lack of additional disbursements from multilateral official creditors, referred to in paragraph 28b of the letter of intent; and 3) increased (reduced) by the surplus (shortfall) resulting from the effective rescheduling of the aforementioned sums. The liquid disbursements on the short-term foreign debt of the nonfinancial public sector included in the aforementioned sums are projected not to surpass $90 million during 12-month period ending 31 December 1990; $900 million during the 15-month period ending 31 March 1991; $1.0 billion during the 18-month period ending 30 June 1991; $1.0 billion during the 21-month period ending 30 Sept?mber 1991; and $1.0 billion during the 24- month period ending 31 December 1991.

Table 1 Brazil: Adjusted liquid international reserves (in millions of dollars)

	31 Dec 89
1. Assets	8,729
Liquid assets	1,215
Short-term assets	7,405
Medium- and long-term assets	109
2. Obligations	8,088
Short-term obligations	1,676
Medium- and long-term obligations (IMF)	2,423
Overdue	3,989
to commercial banks	3,386
to official creditors	93
to other creditors	560
3. Assets minus obligations (1 - 2)	641
4. Gains or losses through appreciation (Footnote 1)	
Assets	
Obligations	

5. Liquid international reserves (3 - 4)	641

(Footnote 1) (For the purpose of this table, the adjustments through appreciation reflect variations in the value of gold and assets and obligations in nondollar currencies owing to rates of exchange and prices different from those prevailing on 31 December 1989)

Table 2 Brazil: Public sector outstanding internal debt (in millions of cruzeiros)

	31 Dec 89
1. Financial system liquid credit	
(including its own securities)	616,437
Central Bank (Footnote 1)	31,592
Commercial banks	450,621
Nonmonetary financial institutions	134,224
2. Federal debt held by nonfinancial private sector	340,793
3. State and municipal debt held by nonfinancial private sector	89,370
4. Debentures and floating debt of public enterprises (Footnote 2)	44,731
5. Total internal debt (1 + 2 + 3 + 4)	1,091,331

(Footnote 1) (Includes Central Bank liquid result of 717,905 million cruzeiros)

(Footnote 2) (Floating debt to contractors and suppliers)

Table 3 Brazil: Foreign debt liquid disbursements (in millions of dollars)

	1989
1. Disbursements (medium- and long-term)	11,303
Refinancings	8,332
Commercial banks	6,959
Brazilian banks abroad	
Foreign banks	
Official creditors	1,373
Other disbursements	2,971
Multilateral	1,183
Bilateral	118
Suppliers	956
Banks	600
Intercompanies [intercompanhias] and others	115
2. Amortizations (medium- and long-term) (Footnote 1)	12,850
Multilateral	1,349
Bilateral	1,370
Suppliers	1,351
Banks	8,185
Others (Footnote 2)	587
3. Short-term capital (liquid) (Footnote 3)	487
4. Foreign debt liquid disbursements (1 - 2 + 3)	-2,034

(Footnote 1) (Does not include amortizations regarding debt-reduction operations and accumulated disbursements on loans agreed to with creditor commercial banks (including debt-conversion investments]

(Footnote 2) (Intercompanies, bonds, and other loans) (Footnote 3) (Short-term debt of nonfinancial public sector)

Telephone, Telecommunications Rates Increased

PY2209172290 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 22 Sep 90

[Text] Telephone rates have been increased 15.77 percent. Basic installation fees have also been increased 9.8 percent, while telephone tokens now cost 1.70 cruzeiros each. International telecommunications and postcard rates have also been increased by 4.4 percent.

(Vicente Gardelli), coordinator for tariffs and economic assessment of the National Public Services Department, has reported that the government is also studying a proposal to increase the cost of residential telephone service.

Government Bans Exploitation of Coast Forest

PY2209013090 Brasilia Domestic Service in Portuguese 2200 GMT 21 Sep 90

[Text] The government has banned the exploitation of the Atlantic coast forest. President Fernando Collor today planted a Pau Brasil tree in one of the Planalto Palace lawns and issued several ecological resolutions, among them one that bans the exploitation of the Atlantic coast forest.

During the ceremony, Secretary of the Environment Jose Lutzenberger emphasized the importance of the resolution.

[Begin Lutzenberger recording] We do not need to touch the last forests that we have. We have a fantastic task ahead of us, a task that will enthuse our youth. We will develop the areas that have already been cleared of forests with an effort that will receive the appropriate support. This is what this government intends to do, and this is how Brazil will look on the world map. [end recording]

Lutzenberger said that even though the Atlantic coast forest is now only three percent of what it was in the past, it is still being devastated in Santa Catarina, Sao Paulo, and Rio Grande do Sul. This is why the Environment Secretariat proposed to suspend until further notice the exploitation of the Atlantic coast forest. The president approved the secretariat's proposal.

Pollution Control Agreement Signed With Japan

PY2209125890 Brasilia Domestic Service in Portuguese 2200 GMT 21 Sep 90

[Text] Brazil and Japan have signed a technical cooperation agreement to build a mining pollution control center.

Japan will provide [words indistinct] $720,000 while Brazil will provide $50,000 and the center facilities.

Japan will also donate laboratory and (?portable) equipment that will be used to control pollution.

The agreement, which was signed by the National Department of Mineral Production [DNPM] and the international cooperation agency, provides for the training in Brazil and Japan of 12 Brazilian technicians over four years.

DNPM Director General (Elmer Salomao) highlighted the center's importance to environmental preservation.

[Begin (Salomao) recording] The most important thing is that this agreement marks the beginning of a process to train specialists in mining pollution control. From now on, mining pollution control will be permanent. We hope that this step will be fundamental for controlling mining pollution. Control of such pollution was previously done in an unorganized manner. The new center will train government and private technicians as well as personnel from other organizations. We even expect to cooperate with IBAMA [Brazilian Institute of Environmental Affairs and Renewable Natural Resources]. Some IBAMA technicians will be trained so that they will also become acquainted with mining pollution problems. [end recording]

According to (Salomao), in two years DNPM technicians will be able to be instructors at the center and to provide modern techniques to mining companies in Brazil and in Latin America.

Chile

President Aylwin Departs for Ecuador

PY2409180090 Santiago Radio Chilena Network in Spanish 1600 GMT 24 Sep 90

[Text] President Patricio Aylwin today began an international tour that will include Ecuador, the United States, and Mexico. The presidential airplane took off at 0845 this morning from the Arturo Merino Benitez international airport. Ambassadors, congressmen, and members of the Armed Forces and the judicial branch bade him farewell.

Shortly before Aylwin's departure, there was a ceremony in the airport VIP room during which Interior Under Secretary Belisario Velasco read Supreme Decree No. 684, wherein Interior Minister Enrique Krauss was appointed vice president of the Republic during Aylwin's absence. Velasco is acting interior minister.

Following the brief ceremony, Aylwin embraced Krauss and told him: Take good care of the country. This made the people smile. Aylwin then boarded the plane that will take them to Quito, capital of Ecuador.

The full cabinet, the apostolic nuncio, Supreme Court President Luis Maldonado, Navy Commander Admiral Jorge Martinez Busch, Carabineros Director Rodolfo Stange, Army Major General Jorge Ballerino, and Air Force Commander Ramon Vega were among those who bade farewell to the president.

Before boarding the plane, Aylwin said that he was very satisfied with this tour. He said: I think this will be a fruitful tour for the country; therefore, it interests me so much.

Aylwin's visit to Quito will end on 26 September. He will be in the United States 27-30 September. On 28 September he will deliver a speech at the UN General Assembly and he will also meet U.S. President Bush on a date which has yet to be confirmed. He will conclude his international tour with an official visit of Mexico 2-4 October.

Aylwin's entourage includes his wife Leonor Oyarzun; Foreign Minister Enrique Silva Cimma; Senate President Gabriel Valdez; Chamber of Deputies President Jose Antonio Viera Gallo; Guillermo Yunge, president of the Chamber of Deputies Foreign Relations Committee; and Carlos Vascuna, the chief of the presidential Cabinet.

Health Minister Departs for Washington

PY2409183890 Santiago Radio Chilena Network in Spanish 1600 GMT 24 Sep 90

[Text] Health Minister Jorge Jimenez de la Jara has left for the United States to attend the 23d Pan-American Health Conference in Washington. Jimenez de la Jara will also participate in the International Infancy Meeting in New York on 29-30 September, as will President Aylwin. This meeting is sponsored by the UNICEF. Jimenez de la Jara reportedly believes that this meeting is very important considering the importance given to infancy problems by the Chilean Government.

Colombia

Authorities Close Border in Wake of Kidnapping

PA2409194690 Madrid EFE in Spanish 1834 GMT 24 Sep 90

[Text] Bogota, 24 Sep (EFE)—The kidnapping of Margarita Silva Colmenares, a former mayor of Cucuta, has today prompted the authorities to close the border with Venezuela at that town in an attempt to assist efforts to find her.

Colonel Luis Ernesto Gilibert Vargas, police commander of Northern Santander Department, in northeastern

Colombia, the capital of which is Cucuta, confirmed the kidnapping of the former mayor and announced the border's closure.

According to the officer, unidentified men wearing police uniforms intercepted the vehicle carrying attorney Silva Colmenares as she was driving her children to school.

Col. Gilibert Vargas added that the former Liberal Party mayor, who occupied that post until 1 June, was kidnapped near a tennis club and forced to head for Juan Frio, next to Cucuta. The police commander said that the children of the former mayor were released and found in her vehicle near Juan Frio.

Col. Gilibert Vargas pointed out that the authorities do not know what organization or group kidnapped Silva Colmenares.

We have closed the border, we control the city exits at the various border posts, and we are conducting an investigation, Col. Gilibert Vargas added.

The kidnapping of the former mayor of Cucuta follows the disappearance over the past few days of eight other people, including reporter Francisco Santos Calderon, chief editor of Bogota's EL TIEMPO newspaper, who was kidnapped on 19 September in the Colombian capital.

Marina Montaya de Perez, sister of German Montoya, the former secretary general of the Presidency of the Republic, was kidnapped hours earlier that same day.

Diana Turbay, director of HOY POR HOY magazine and daughter of former President Julio Cesar Turbay; Juan Vitta, editor of the same magazine; Azucena Lievano, chief editor of the Cripton television newscast; Hero Buss, a GDR reporter; and two television cameramen have also disappeared.

ELN Leader on Recovering Oil Resources

PA2509000790 Bogota LA PRENSA in Spanish 11 Sep 90 pp 10, 11

[Report on interview with Manuel Perez, leader of the Army of National Liberation, by Concha Minguela, in the Uraba region; date not given—quotation marks as published; interview originally published in INTERVIU magazine of Madrid]

[Text] Manuel Perez, the Spanish priest, who is the top-ranking leader of the Colombian Army of National Liberation [ELN] has told INTERVIU that "the Spanish Government has great interests in Colombian oil. If it is only interested in amassing wealth, without regard for the existing conditions in Colombia, sooner or later it will clash with the insurgent forces engaged in defending the people's interests." The ELN participated in the kidnapping of Spanish industrialist Pablo Martin Berrocal.

Manuel Perez is one of the most hated men in Colombia. The government has offered a $500,000 reward to anyone who assists in his capture. Ever since he joined the Camilist Union of the ELN, shortly after arriving in Colombia almost 20 years ago as a priest, Perez has been engaged in guerrilla activities. He is curently the top leader of the ELN. For the past seven years he has concentrated on recovering national sovereignty over the oil resources.

Since 1983, and until now, the ELN, or "ELNers" as they are popularly known, have blown up oil pipelines 130 times. According to the experts, this has resulted in a loss of 500,000 barrels of crude oil, and over $500,000 in losses in decreased exports and royalties.

This INTERVIU reporter met with "priest" Perez in a remote camp deep in the jungles in Uraba Colombia, after a three-day journey on horseback through mountains, rivers, and jungles.

Perez has clearly defined ideas regarding Colombia's situation. He said that "since the 1960's, Colombia's oil policy has been in the hands of the large U.S. companies. The native ruling class has submissively allowed the unfair exploitation of national resources in exchange for crumbs. In 1971 Colombia had to to sign a contract to buy oil in the Persian Gulf because it was cheaper than buying it from TEXACO, which was drilling oil from Colombian oilfields."

Perez said that "for more than 30 years, Colombia has been giving away its oil to the rich U.S. transnational companies. Colombia only gets a miserly royalty of between 15 and 18 percent. No other country gets such low royalties."

He said "that is why we want a broad national debate, and the only way to start it is to sabotage the refineries and piepelines. In this country, if you do not press hard, no one listens to you. Since 1986 the ELN has been engaged in "negotiations" with the rich oil companies, forcing them to pay an "oil charge" (a revolutionary tax) in exchange for them be allowed to exploit the country's oilfields."

Perez said "the Spanish company Repsol has not yet been 'touched' because we do not think that all governments are alike. We believe that the European social democracies are less harmful to the development of Latin American countries than the clearly imperialist and counterinsurgency gringo policy. However, both fall logically under capitalism."

[Minguela] Have you asked Repsol for an "oil charge?"

[Perez] "No, not exactly. We have not spoken about it directly with the managers of Repsol here in Colombia. However, we do know that they are worried...."

[Minguela] How do you know that they are worried?

[Perez] "Because, when we discussed another matter with Spanish Government officials, they expressed their concern about the oil situation and our actions."

[Minguela] Did this happen when you met with Spanish officials to discuss the release of Spanish bullfight magnate Pablo Martin Berrocal?

[Perez] "Yes. However, I would like to refer to that topic as little as possible. We have investigated Repsol, and we have discovered that the Spanish Government owns most of its capital. Until now the company has been safe because we are concentrating mostly on U.S. companies. We are aware that certain technology is required to exploit oil in Colombia, and that the technology must be paid for. So far, our attacks and acts of sabotage have been launched primarily against the Occidental Petroleum Company (Oxy), which is our main enemy because it virtually owns the most important pipeline in operation—the Cano-Limon pipeline, which carries 220,000 barrels of oil per day.

"Of all the companies, Oxy has stolen the most from Colombia, and we demand its expulsion. Repsol has bought 15 percent of the Oxy interests and 50 percent of the Shell interests in the Cano-Limon pipeline for a total of $300 million. Repsol's interest in investing in Colombia can clearly be seen. It has acquired large areas for exploration in Huila Department in southern Colombia, near Ecuador.

"In this makeshift tent camp in the middle of the jungle, I could not tell you the exact amount of the Spanish investment. However, it is more than $1 billion."

[Minguela] Is your respect for Repsol going to continue?

[Perez] "We will have to discuss that. We have told them that they have to meet with us and reach an agreement if they want to operate in Colombia. Although we have more respect for the Spanish Government, Repsol's methods in Colombia are as harmful to the people's interests as those of the other companies. Repsol has greatly expanded since its arrival. In a way, Repsol has been very cunning. It has operated silently, shielded by the other powerful companies, unmolested by us, believing that we do not know what it is doing. However, it is opening new markets. For a long time we have had the company in our sights. We are saying this because sooner or later we are going to have to get together and talk. We believe that if the Spanish Government wants to continue to operate here in Colombia, the best thing it can do is to talk with us, the opposition. We hope that they realize this before we have to make them understand by some other means. It is important for them to know that we have infiltrated leftist activists into different departments of their corporate structure.

"Of the more than 500,000 barrels of oil produced each day in Colombia, large corporations exploit and remove nearly 50 percent. European multinationals such as Shell and Repsol remove about 20 percent. So far the ELN guerrillas have shown that it has virtually absolute control over the 780 km of pipeline that runs from Cano Limon, in Arauca (at the Venezuelan border), and Puerto Covenas (northwest, on the Caribbean coastline), from where vessels set sail carrying petroleum to the world, mainly the United States."

The most daring attack by "Priest" Perez' group took place recently in Covenas, less than one km from a naval base defended by 3,000 soldiers, causing a $7 million loss and halting exports for three weeks. The ELN's almost continuous attacks against petroleum interests are becoming a serious concern to the Colombian Army, which seems unable to handle this group and who it accuses of being antipatriotic and led by several revolutionary Spanish priests.

[Minguela] Is it true, as it is said, that the ELN is led by Spanish priests?

[Perez] "Ha! Ha! No, that is not true. This is a 100-percent patriotic movement. I must admit that, for reasons unknown to me, we receive requests to join us from Spaniards, including priests. The legend [not further explained] must have something to do with this. However, all ELN leaders are Colombian, except for me."

General Rafael Padilla, who has been tasked with mounting a large counteroffensive to destroy the ELN, which he says consists of "nefarious madmen," believes that this group has a new tool: "The millions that this organization now has. In the past its support base was ideological. Today it is the money that it liberally gives away. Gen. Padilla says that this group gives away money to the peasants to help them establish stores and businesses, to buy things."

[Minguela] Your group was harshly criticized for the assassination of the bishop of Arauca, Jesus Jaramillo, especially because you yourself are a priest and have apparently never renounced being one...

[Perez] "That is correct, I have never renounced my priesthood. Yes, it is true that I have a companion and a daughter, as do many priests around the world. In fact, I believe that we lead a tremendously religious life, in the broad sense of the word. We follow the doctrine of Jesus of sharing and alleviating the pain and suffering of the poor. Obviously, I do not conduct mass because that would be very awkward for a Marxist, amid rifles. As for the execution of the bishop of Arauca, that was a mistake. We accept the criticism. Not because the bishop was a saint. We have letters in which Monsignor Jaramillo virtually knelt before Oxy. In his homilies he extolled the virtues of that U.S. petroleum company and the wealth that it was removing from our country. We know that he received money that he used to benefit himself or rich people at a time when there is a struggle to ensure that the most needy receive the benefits to which they are rightfully entitled. The ELN leaders never authorized that execution, and we have criticized our comrades for it."

[Minguela] It seems like the ELN is the group most reluctant to initiate peace talks between the Simon Bolivar Coordinating Board (comprised of the ELN and other armed groups) and the government...

[Perez] "We are in contact with and maintain relations with the attorney general's office and the Human Rights Commission. It is not that we are opposed to holding talks. No. However, to negotiate, we must submit our proposals—on oil, coal, gold, coffee, bananas... We also want the talks to be held before the people, with the people's participation, and with the participation of international organizations such as the Red Cross, Amnesty International, human rights groups, and the presidents of France, the USSR, Spain, etc. However, turning over our weapons cannot be a condition. First, we must talk."

[Minguela] M-19 [19 April Movement] reached a peace agreement with the Barco Government and it turned over its weapons...

[Perez] "I respect those who have fought for their ideals, but M-19 turned over its weapons and has received no political change for it. We have been fighting for a change for 20 years. In negotiations, we must speak of a new government, of no more paramilitary groups, of no more 'dirty wars,' as well as no more states of seige. We must speak of constitutional reform to protect the country's sovereignty. We must speak of drafting a new constitution that can protect the benefits to which we are entitled—welfare, health, education, civil and democratic rights for the vast majority of the people in this country. What M-19 did was surrender the cause for which we fought in exchange for nothing."

Despite the fact that Spanish "priest" Manuel Perez is reluctant to give more details on the kidnapping of Pablo Martin Berrocal, a Spanish bullfighting entrepreneur, other than those already published by INTERVIU, we able to get the ELN leader to give his opinions concerning the interest of the Spanish Government in obtaining details on the kidnapping and the dealings between Berrocal and the Colombian guerrilla group.

[Minguela] Why do you think Spanish Interior Ministry officials came to negotiate with you and why did they themselves bring the money to pay the ransom of Martin Berrocal?

[Perez] "The Spanish officials that came to Colombia to ask for the release of industrialist Pablo Martin Berrocal on behalf of the Spanish Government and his family knew of our oil policy regarding multinational companies. They told us that they knew we had not taken any actions against their interests, those of Repsol, because we still felt some respect for the social democratic system of Spanish President Felipe Gonzalez. You must take into account that we are present in Cano Limon, in the northwest, as well as in Huila, to the south, near Ecuador, where they have some wells. They are especially careful with their explorations in Huila, which is near Ecuador. I do not have the exact figure, but they are making huge investments there. In one way or the other, they wanted to find out how 'dangerous' we could turn out to be and how we could make contact in case we had to hold talks to reach some arrangement."

[Minguela] Did the Spanish officials bring up the topic of oil during the negotiations for Berrocal's release?

[Perez] "Strictly speaking, they did not negotiate directly with us, as the ELN. However, they did mention their interest in our oil policy. We did not reach an agreement or a compromise. However, I believe they got the hint that these talks must be held sooner or later."

[Minguela] Some of your ELN comrades who participated directly in the talks and the negotiations for Berrocal's release told me that they brought up the topic...

[Perez] "That is correct, and we made sure that they know that everyone who is here exploiting this country's wealth under inequitable contracts must bear in mind that there are two powers in Colombia and that they must negotiate with us. Up to now Oxy has been our biggest enemy. When we asked them to pay taxes, through works that would improve the living conditions for the people, they faked acceptance and then threw Army intelligence and the CIA at us. They included them among their representatives at the talks. That is why we have virtually forced them to stop their exploitation activities, and they have sold almost everything they had to Repsol and Shell, among other companies. Oxy financed military operations to eliminate us instead of using that money to help the people. Repsol has never done this. However, Repsol is growing, and it has even formed partnerships with Oxy, Hocol [expansion unknown], and Hispano-Oil, the company that is responsible for opening new markets in Spain—and which is about ready to reach an 'arrangement' with us."

[Minguela] What exactly are the conditions you are going to insist on from Repsol if the negotiations are resumed?

[Perez] "We encourage other types of contracts that will help the country through increased participation and shared profits. We would ask for the nationalization of the contracts and that Colombia's Ecopetrol be responsible for drafting the oil policy to be followed by the multinationals, including Repsol. Anyway, we continue to insist that they will not be here much longer if they do not reach an agreement with us."

[Minguela] An economic-type agreement, like in Berrocal's case?

[Perez] "Truthfully, I have said all I have to say about Berrocal in an interview with Fabiola Calvo, another INTERVIU reporter. All we did was express our support and solidarity for the Ecuadoran group. We cooperate with that group as we do with almost all guerrilla movements in Latin America."

[Minguela] But you created and trained the Ecuadoran Free Homeland Montoneras...

[Peres] "Ha! Ha! Not really."

[Minguela] Anyway, Berrocal, excuse me, was the first foreigner not involved in the oil business who you helped kidnap. In any case, he was the first Spaniard...

[Perez] "That has a clear political explanation. That is, we knew that Berrocal was getting rich thanks to his friendship with former Ecuadoran President Leon Febres Cordero, one of the most sinister and wretched men in that country. We even intended to investigate his connections with drug trafficking. The kidnapping of the Spaniard was a civilized kidnapping. He was well-treated, and we talked to him about our policy. We told him that we thought he should pay a fine to compensate for what he had done to the exploited people from whom he profited illegally. He can attest to that. We do not kidnap the way the Army does. We do not torture people or make them disappear. We hold them to carry out justice, the justice of the poor who have no other system."

[Minguela] Did you find proof that he was linked to drug trafficking?

[Perez] "That will be up to the Spanish Government to resolve. The man is now in Spain. Anyway, I heard that he has refused to say a single word regarding the kidnapping. I believe that the man genuinely feels that he was let down by the family for whom he had worked and by the way they reacted when the time came to pay his ransom."

[Minguela] Can you confirm that they asked for a $1 million ransom?

[Perez] "Let us just say it was."

Ecuador

Joint Communique on Persian Gulf Issued

PA2409175390 Mexico City NOTIMEX in Spanish 0055 GMT 22 Sep 90

[Text] Quito, 21 Sep (NOTIMEX)—The Ecuadoran and Uruguayan foreign ministries expressed in a joint statement on 21 September their concerns about the tense situation in the Persian Gulf.

In the document, the Ecuadoran and Uruguayan ministers Diego Cordovez and Hector Gros, respectively, stressed their countries' preference for peace and condemned the use of force to solve international conflicts.

They emphasized their support for Latin American integration and expressed satisfaction regarding U.S. President Bush's Initiative for the Americas.

The American proposal consists of creating an agreement on free trade in the continent, reducing the Latin American countries' foreign debt, and stimulating the flow of investment in the region.

Cordovez and Gros stressed that their countries agree with Latin America's pacifist tendencies and defended the principles of international law.

Regarding the Persian Gulf problem, the two countries reiterated their traditional disapproval of the use of force and supported the U.N. Security Council's resolutions on sanctions against Iraq for invading Kuwait.

The foreign minister stated their conviction regarding the need for Latin American integration to be stimulated in its political, social, economic, and cultural projections through new subregional plans.

On the bilateral level, the two countries agreed to increase economic exchange and to reactivate the Ecuador-Uruguay Coordination and Cooperation Commission, created in 1985.

President Borja Welcomes Aylwin in Quito

PY2509034690 Santiago Domestic Service in Spanish 2200 GMT 24 Sep 90

[Text] President Patricio Aylwin was welcomed at the Quito air base today by Ecuadoran President Rodrigo Borja. The Chilean president is thus beginning a trip that will include the United Nations and Mexico.

Aylwin, who was declared an illustrious guest of Quito, will hold three working meetings with President Borja. They will discuss subjects such as the forthcoming inclusion of their two countries into the Rio de Janeiro Group, which comprises Argentina, Brazil, Colombia, Mexico, Peru, Uruguay, and Venezuela.

Tomorrow Aylwin will dedicate a park that will have the name of Chile and where two statues will be installed: One of liberator Bernardo O'Higgins and the other, of poets Pablo Neruda and Gabriela Mistral.

On Wednesday [26 September], after signing a joint declaration with President Borja, the Chilean president will leave Quito for New York.

President Aylwin said he will not negotiate the terms of protectionist measures imposed on Chile during his visit to the United States. He made these remarks during his trip between Santiago and Quito.

The president's trip will last for 10 days and will include Ecuador, the United States, and Mexico. He said his visits to Ecuador and Mexico seek not only to strengthen diplomatic relations, but to also increase political, cultural, and economic ties.

As for his trip to the United States, where he will participate in the UN General Assembly in New York on 28 September, he said it has very important political significance for Chile. At this world conference we will have the opportunity to tell the world what we are doing and our position on the current world situation, the president said.

He added that at the UN session he will especially explain the Chilean process and the country's need for understanding, cooperation, and solidarity in order to face the great challenge of harmonizing political democracy with social justice and economic growth.

Regarding U.S. protectionist measures against Chile, the president said a Chilean congressional delegation will arrive in Washington next week to participate in meetings with their U.S. counterparts to discuss this matter.

President Aylwin expressed the hope that important steps will be taken by next month on this and other important matters related to Chilean relations with the United States.

Paraguay

Minister Frutos Discusses Southern Cone Bloc

PY2409161290 Asuncion ABC COLOR in Spanish 23 Sep 90 Economics Supplement p 3

[Interview with Foreign Minister Alexis Frutos Vaesken by unidentified reporter; place and date not given]

[Text] [ABC] Mr. Minister, please explain the scope of Paraguay's intention to become part of the Southern Cone economic bloc.

[Frutos] Our country's intention is firm. Even though we have not studied details and specifics, there is the political will to join the common market once we have heard the finding of our technical experts.

I believe that we have no option. Joining the "common market" is our only alternative. This is also the conclusion reached by other Southern Cone countries—Argentina, Brazil, and Uruguay—and probably by Chile. Paraguay cannot remain isolated from this process.

On the other hand, I believe that Paraguay will be able to enter the common market because we have already experienced many of the negatives effects that integration will bring—effects like low customs tariffs on products imported from neighboring countries and the massive entry of those products. Thus, I consider that we have already learned how to cope with low customs tariffs.

[ABC] What measures should Paraguay take, or avoid, to help this integration become a reality?

[Frutos] As I said, the experts have to study this matter before making their final recommendation. I believe that for the time being we have to just follow the integration process as if we had already decided to join it regardless of what the experts might recommend.

I do not want Paraguay to be the last to climb on the bandwagon because I believe that there is no other option but to join the common market. Paraguay is already in the company of Argentina, Brazil, and Uruguay.

[ABC] What were the results of the missions carried out abroad?

[Frutos] The missions were quite successful. We found a broad spirit and a firm disposition to integrate right away on the part of Argentina, Brazil, and Uruguay. The integration spirit of Chile was just as broad, but the attitude was more cautious.

We found a spirit of integration and also a desire to cooperate and to make bilateral deals. The visits were very good; all countries were receptive to Paraguay. I believe that conditions are ripe for the Americas to integrate, at least here in the Southern Cone.

[ABC] What time frame is being considered for the integration?

[Frutos] I cannot give you the final timetable because some stages might be missing, but for an integrated, zero-tariff market to operate, all tariff barriers must be removed by 31 December 1991.

The deadline, which was agreed in principle by Argentina and Brazil in the "Act of Buenos Aires," is also valid for our country.

[ABC] What would be the concrete benefits for our country if we were to join the Mercomun?

[Frutos] Our development possibilities would expand, and the installation of new industries will create jobs. This is very important because as new jobs are created, the country develops, giving rise to additional activities made possible by the country's growth.

We can create a better tax policy and better tax legislation for the convenience of investors. There is also the possibility that Paraguay can continue to supply these partner countries with electric energy at an affordable low price. This will encourage the large-scale investment of capital, some of which might even come from countries in the area.

[ABC] Is the domestic industry in the position to join this regional undertaking along with countries more advanced than ours?

[Frutos] I believe we are. I reiterate what I have already said on this matter, and I express my belief that Paraguayans are awakening and, consequently, acting with an integration mentality. If some mental structures need changing, they will change as a logical result of this process.

[ABC] How will the country's entrepreneurial class participate?

[Frutos] We are allowing the entrepreneurial class to participate. We have met with businessmen, industrialists, and representatives of the country's economic activities to exchange viewpoints on the regional integration

policy. These talks were held with the same group with whom we intend to set up an agency that will promote our exports.

That is the first stage. When I return from the United States, we will form a special commission to work on the various aspects of our integration. The commission will comprise public sector and private sector representatives in equal numbers.

[ABC] Will the national legislation of the member countries be reformulated to accommodate them in a new regional legislation?

[Frutos] Yes, we all have to accommodate our legislation to the needs of integration.

[ABC] A last question, Mr. Minister. What is our country's position regarding George Bush's Initiative for the Americas?

[Frutos] Meetings were held on Monday and Tuesday last week in Washington to discuss this matter. It is interesting to note that Argentina, Brazil, Uruguay, and Paraguay acted together as a Southern Cone bloc to negotiate the implementation of the U.S. initiative. The U.S. officials were surprised at this joint presentation and, after listening to the proposal put forward by the Southern Cone area, they promised to come back with an answer.

Peru

Terrorists Murder Former Labor Minister, Son

PY2309015090 Lima Television Peruana in Spanish 0128 GMT 23 Sep 90

[Text] Here is a last-minute report: A few minutes ago cowardly terrorists murdered former Labor Minister Orestes Rodriguez and his son as they traveled in a vehicle through San Roque. Another two people were also seriously wounded during the attack, and they were rushed to San Antonio Hospital.

As it is known, Orestes Rodriguez was labor minister under the APRA [American Popular Revolutionary Alliance] government and rector of the Federico Villareal University. The police have launched a major operation to locate the perpetrators of this crime.

Police Arrest Suspects in Case

PY2509031290 Lima Television Peruana in Spanish 0100 GMT 25 Sep 90

[Text] The National Police today confirmed the arrest of nine individuals, seven men and two women, in connection with the murder of former Labor Minister Orestes Rodriguez. The individuals are being kept at Dircote [Counterterrorism Division] headquarters. They are being thoroughly investigated.

Change 90 Deputy Lopez Kidnapped 23 Sep

PY2409225290 Lima Television Peruana in Spanish 1800 GMT 24 Sep 90

[Excerpt] So far, nothing is known about the whereabouts of Change 90 Deputy Gerardo Lopez Quiroz, who was kidnapped by several unknown individuals in the Villa El Salvador District last night [23 September]. The police are now expanding the search for the Change 90 deputy.

Gerardo Lopez Quiroz was abducted at about 2120 last night from his house, which is located at Sector 1, Block L, Lot 19 of this populous district. There was no electric service in the sector at the time of his abduction.

According to Roberto Quiroz Sarmiento, a relative of the Change 90 deputy, six individuals, who said they were old friends of the deputy, turned up at the deputy's house asking about him.

After the deputy went out of his house, the individuals surrounded him, forcefully took him to a white Nissan pickup, without license plates, and finally drove away, taking the deputy with them.

Gerardo Lopez Quiroz is the Change 90 congressional team president. He is also secretary general of this sector in Villa El Salvador District and has also held several posts in this [word indistinct] of this populous district. [passage omitted]

26 Professors Arrested on Terrorism Charges

PY2309225090 Madrid EFE in Spanish 2014 GMT 22 Sep 90

[Text] Lima, 22 Sep (EFE)—At least 26 professors from four Lima universities have been detained over the past two days and incarcerated in Counterterrorism Division [Dircote] offices under suspicion of involvement in subversive activities.

According to press reports disseminated today, the detainees are left wing and are professors at San Marcos University, the National Engineering University, the Agrarian University, and Enrique Guzman y Valle University.

Among the detainees are Alfredo Torero Fernandez, a former deputy rector of San Marcos University, America's oldest university, as well as Max Melgar, Luis de la Cruz, and Vilma Aguilar, who are also San Marcos University professors.

The sources added that the Interior Ministry intelligence service, headed by an active duty Army colonel, claims the detainees are ideologues of the Maoist Shining Path group and were involved in terrorist attacks as well as in the recruitment and indoctrination of guerrillas.

Blanca Leyva, who works in the San Marcos University Legal Department, has said the detentions "are arbitrary." According to press reports, she also said that the detainees have their feet and hands tied and are blindfolded.

The detainees are incommunicado, and their attorneys are not allowed to see them, Blanca Leyva added.

Since the second presidential term of former President Fernando Belaunde (1980-85), the universities have been considered to be Shining Path and Tupac Amaru Revolutionary Movement (MRTA) centers, especially San Marcos University, the National Engineering University, and Enrique Guzman y Valle University.

San Marcos University has been raided several times by police, and hundreds of students, most of whom are subsequently released, have been detained.

Qian Qichen on Geopolitics, Bilateral Ties

PY2209153690 Lima El COMERCIO in Spanish 16 Sep 90 Sunday Supplement p 8

[Text] The PRC strongly condemns Iraq's invasion of Kuwait and its intended annexation. This is its position on the Persian Gulf situation, which coincides with the opinion of the other members of the UN Security Council of which the PRC is a permanent member.

China considers, however, that the presence of foreign troops in the Gulf, that are so many and mostly from the United States, does not contribute to solving the problem but to worsening it.

These remarks were made by Foreign Minister Qian Qichen during an exclusive interview with reporters of our newspaper's Sunday supplement while visiting our country.

Qian explained that Iraq's allegation on Israel's invasion of Arab territories does not justify its attitude, which violates the "Five Principles of Peaceful Coexistence" that govern the coexistence of the vast majority of the countries in the world.

Qian said: "Some people believed that the relaxation of tension that formerly existed between the United States of America and the Soviet Union would be a positive event for solving regional problems; however, it seems that this is not so. It was believed that as a result of such relaxation a new international order would be established in keeping with those principles, but the Gulf conflict is demonstrating just the opposite. The large concentration of U.S. and Western European forces in that region is very worrisome."

The Chinese minister said that his country supports the idea of solving the problem by resorting to diplomatic and peaceful means and not to force. "The People's Republic of China supports detente and peace," he said.

As it is known, a few days ago North Korean Minister Yon Hyong-muk made a peaceful visit to South Korea where he met with his counterpart, Minister Kang Yong-hun. Foreign Minister Qian said that he applauds this gesture because it means that both sides of the Korean Peninsula want to abandon their intransigence and reunite their country.

Qian said that China has always encouraged their reunification, but through peaceful means. He added that, unfortunately, there are still many problems to resolve. For example, there is the fact that a large number of foreign troops have established themselves in South Korea. This fact and the military maneuvers that are carried out off its coasts complicate the situation, Qian said.

Nevertheless, Qian noted that if the talks continue on the right track and the sides try to overcome old difficulties, the world will no doubt applaud the reunification of this important Asian peninsula. "For the time being, however, I believe this will not be easy," Qian predicted.

Cambodia is gradually overcoming the painful problem caused by the Vietnamese invasion in the early 1980's.

As a result of unwavering pressures by the highest UN international forum, some time ago Vietnam began to withdraw its troops from the invaded country. This was done, but without meeting requirements that would fully satisfy Cambodia or the countries indirectly involved in this geopolitical problem.

Concerning this point, Minister Qian said there is very good news. He said that China has just issued a goodwill communique. Qian explained that after two days of discussions in Jakarta, the representatives of Cambodia's four political parties have accepted the documents adopted by the five member countries of the UN Security Council regarding the nature, formation, and functions of the National Supreme Council that will be in charge of discussing and carrying out the quest for a political solution to the problem. Qian emphasized that the document just issued by the Chinese Foreign Relations Ministry recognizes Prince Sihanouk, one of the four members of that council, as a patriot and a recognized leader of the Cambodian people.

Qian said: "Hong Kong will return to the fatherland on 1 July 1997. All this is irrevocable already. We are only waiting for that date."

Concerning Taiwan, Qian said that there have been no significant political changes recently. Qian said: "In the economic field there have been changes. Taiwanese merchants continue visiting China. A large number of investors have brought their capital and are working in some key points of our territory like Fukien.

On the day that he signed the documents by which the PRC promised to grant to Peru a credit worth 30 million yuan ($6.3 million) and a donation of 3 million yuan ($630,000), Qian was asked if it is true that 5,000 people

were killed in the Tiananmen Square events last year, as reported by some Western media. Qian responded that that figure as well as other figures released by some Western media are false. Qian ironically said: "Not more than 300 people were killed, significantly fewer than those killed by the U.S. Army when it invaded Panama."

Qian said: "We have already overcome the difficulties caused by the subversives last year. We actually considered the problem from two angles. The first involves the students whose claims we accept because they involve criticism of administrative problems. The second involves people who are opposed to the socialist system. Although the latter are against us, we treat them generously. We are also enhancing our political work, giving our people more socialist education."

Minister Qian said that China views the Pacific Basin from two angles: The first involves West Asian countries, and the second involves the rest of the countries, including the Latin American countries and, therefore, Peru.

The Chinese foreign minister said that there is a so-called Pacific Basin Conference for Economic Cooperation [Conferencia de Cooperacion Economica de la Cuenca del Pacifico], a civilian organization made up of several countries, including Peru, that operates permanently and effectively. Regarding the support that China could supply to Peru, a Pacific Basin member, China will always treat Peru in a preferential way.

Before leaving for Bolivia, another leg of his tour through some Latin American countries, Minister Qian said that he appreciated very much the way he was welcomed by government officials and by the people. Before leaving, Qian repeated: "I wish you all the best of success. Peru is a very great and very rich country. Its people are traditionally very generous and hard working. I wish you much success."

Terrorists Kill 6, Wound 18 Peasants in Huanta

PY2109152690 Madrid EFE in Spanish 0248 GMT 21 Sep 90

[Text] Ayacucho, 20 Sep (EFE)—Military sources reported here today that at least six people died and 18 were wounded during attacks by Shining Path terrorists in two townships of Huanta Province, north of Ayacucho.

On 19 September, Shining Path terrorists carried out two attacks with firearms and explosives. After shooting people, they burned and looted houses and killed domestic animals.

Upon arriving in Villa Florida, 37 km north of Ayacucho, a group of some 200 Shining Path terrorists began to fire at random, and they wounded eight people, including three children.

Later the terrorists dragged four members of the antiterrorist Peasant Defense Patrol (civilian militia)—including two senior citizens—out of their homes and shot them to death.

Alfreo Huayllascu, leader of the Villa Florida Peasant Defense Patrol groups, reported that the terrorists had kidnapped the local lieutenant governor, Felix Sicha.

Villa Florida is located in the Macachacra District, halfway between Ayacucho and Huanta. According to press reports, Villa Florida was founded in April 1990 to establish there a Peasant Defense Patrol group because of the frequent Shining Path attacks on vehicles using this route.

Another Shining Path attack occurred in Chihua-Candari, some 60 km northeast of Ayacucho, where the terrorists murdered two peasants and wounded eight more.

The police have reported that the city of Ayacucho, 575 km southeast of Lima and Huanta, has been without electricity since 19 September when Shining Path terrorists knocked down high tension pylons.

According to a special congressional committee, political violence has claimed the lives of more than 20,000 people since Shining Path groups rose in arms in 1980.

* Labor, Energy Ministers on Policy, Ideology

* Labor Issues Assessed

90SM0247A Lima EXPRESO SUNDAY SUPPLEMENT in Spanish 12 Aug 90 p 9

[Interview with Labor Minister Carlos Torres y Torres Lara by Carmela D'Brot de Castaneda; place and date not given]

[Excerpt] After Prime Minister Hurtado Miller, Minister of Labor Carlos Torres y Torres Lara is the most in demand among newsmen for his statements. He very kindly consented to answer DOMINGO EN EXPRESO's questions.

[Carmela D'Brot de Castaneda] Is it difficult to be minister of labor?

[Carlos Torres y Torres Lara] It is unquestionably difficult and a challenge. Throughout my life, I have always followed the path of meeting great challenges. That is why I accepted such a troubled ministry at such a difficult time. I view it as a great challenge and a possibility for accomplishing part of my life's plan: to help others, no longer simply by teaching, but also by working with a government that wants to get things done.

[D'Brot de Castaneda] What is your political affiliation?

[Torres y Torres Lara] I have never belonged to any political party. As a university professor, I thought it gave me more freedom of action and thought not to be

affiliated with a group with established positions and specific guidelines that one is forced out of loyalty to follow. I would sum up my philosophy as a kind of renewed social Christianity. I think that within that framework, which is basically linked to the message of the Papal Encyclicals, one can place my way of thinking.

[D'Brot de Castaneda] What modifications do you plan to make in the field of labor?

[Torres y Torres Lara] I am going to promote the General Labor Law. Peru must have general organic labor legislation so that workers and owners may know their rights and obligations.

[D'Brot de Castaneda] That is a very old plan, but every single minister of labor has apparently run out of time. Will you have enough time?

[Torres y Torres Lara] I do not know whether I will have time to get such a law passed. Moreover, it does not belong to me; experts in the field have been working on it for years. That is what I call long-term goals. Let's say six months, because in Peru one cannot speak of anything longer than that.

[D'Brot Castaneda] And what are your short-term plans?

[Torres y Torres Lara] There is a whole series of provisions in the form of an executive order that will enable us to remove obstacles standing in the way of the creation of jobs.

[D'Brot Castaneda] How will you create new jobs?

[Torres y Torres Lara] It will be necessary to change ministry policy, which has been directed solely toward the usual work relationships, with the owner and the employee, and where the company is always considered to be part of big capital and therefore an exploiter of workers. We must make the most of individual work, the work of the small businessman, work that not only creates jobs, but also applies the efforts of the owner himself in the labor force.

[D'Brot Castaneda] What is your position on strikes?

[Torres y Torres Lara] Any strike that hurts the people is not only dangerous, but an outrage to the citizenry. In other words, the principle of the strike viewed as the workers' defense against the owner is perfectly acceptable and recognized by our constitution, but we shall not support strikes that hurt the people. I am referring, for example, to medical care and public services of a general nature which are a basic need.

[D'Brot Castaneda] You recently came out in favor of indexing wages. Will there be indexing?

[Torres y Torres Lara] No, I did not say there would be indexing. Nevertheless, it is a problem of terminology. We chose not to speak of indexing because for the public, the term can mean that all wages will rise based on possible inflation. At any rate, we prefer to speak of linkage, of linking pay to a given level of monetary units because in some cases, there will be no readjustment for workers who are very well paid and in a privileged position compared with the rest of the workers. It is unacceptable, not because they have too much compared with the others, but because others have very little compared with them.

[D'Brot Castaneda] Do you mean that workers in some sectors will have their wages frozen?

[Torres y Torres Lara] That is a key point, particularly in sectors connected with public services provided by the government. I think we have to join with them in an "examination of conscience" and understand that the public, the consumer, the citizens, cannot continue to bear the burden of such high wages in certain enterprises because the entire country then has to pay them. [passage omitted]

[D'Brot Castaneda] Will you close inefficient government enterprises?

[Torres y Torres Lara] Enterprises are organizations where there are at least three major interests: labor, capital, and the consumers. If we think only about the workers, then we are underestimating consumer interests and this is wrong because consumers are also workers. Companies must be efficient because if they are not, consumers will pay for their inefficiency. And if one has to choose between 50 or 100 or 2,000 workers in a company or millions of consumers who are also workers, one definitely has to choose the latter.

[D'Brot Castaneda] Whenever there is an attempt to create jobs, people always claim that thousands of workers will be thrown out of their jobs.

[Torres y Torres Lara] There are various solutions that may be adopted. It is not a question of radical measures such as, for example, necessarily returning government-owned enterprises to private ownership. There are intermediate solutions such as the leasing of such companies to the private sector. Partnership agreements could be signed with private businessmen. It is a matter of having the community be able to co-manage or manage such enterprises and prevent them from sinking into the current endless bureaucracy.

[D'Brot Castaneda] Private businessmen are not interested in companies with excess personnel.

[Torres y Torres Lara] It is true that some companies have excess personnel, but the goal is not to throw the excess into the street. Such a thing is not possible because in this country, we all have to pay the cost in the long run. In other words, it is not a matter of reducing personnel suddenly, but reaccommodating the work force and creating jobs.

[D'Brot Castaneda] What is your main concern as minister?

[Torres y Torres Lara] Providing work. In the CGTP [General Confederation of Peruvian Workers], I heard a

sentence that appealed to me a great deal: "The right to stability is the same thing as the right to life." I appreciated it a great deal because I understood it. In a country where there are no jobs, to speak of instability at work is to speak of death. In other words, the important thing is to give the people work. The main plan I have is related to young people. We must have a major mobilization to create jobs.

[D'Brot Castaneda] There have been times when, faced with labor disputes, the Ministry of Labor favored the worker. At other times, owners have been privileged. Which policy will be followed now?

[Torres y Torres Lara] First of all, when it is a question of interpreting standards, when in doubt, we shall follow the labor principle that the worker receives the benefit of the doubt. But when disputes must be solved, we shall try a solution different from the one previously employed. It is a solution that we shall soon announce and through which labor officials will not intervene in the final solution of the conflict.

I would tell you ahead of time that we are studying the possibility of following the guidelines of other countries on this matter in order to prevent corruption from being so easy in our country.

[D'Brot Castaneda] Do you mean the ministry will no longer resolve conflicts in collective bargaining?

[Torres y Torres Lara] After direct negotiation fails, both sides come to the ministry and ministry officials handle these matters. It is a flexible and interesting mechanism, but one that lends itself to a certain possibility of corruption. There are many officials who are very honest, but other officials fall easy prey to immoral situations; the system lends itself to this. We must have a mechanism guaranteeing the most balanced decisions possible and such a balance is linked to the ministry, naturally, but not to the ministry's decision.

* Sanchez Favors 'Pragmatism'

90SM0247B Lima EXPRESO SUNDAY SUPPLEMENT in Spanish 19 Aug 90 p 4

[Interview with Minister of Energy and Mines Fernando Sanchez Albavera, by Carlo Reyes Cestti; place and date not given]

[Text] Minister of Energy and Mines Fernando Sanchez Albavera is a socialist in a Liberal Cabinet even if he refuses to admit it.

A former IU [United Left] deputy for Callao and an economist, he was trained in the EXPRESO trenches, where he was the disciple of a demanding but instinctive newsman, Mario Miglio.

"Those really were the good times. I spent nearly three years at EXPRESO. We had an interesting group with Manuel d'Ornellas, Humberto Rebagliati, Ismael Pinto, Carlos Arboleda, and Orestes Pantoja, and every time we could, we annoyed Hernando Aguirre Gamio.

"Actually, I wanted to recall those things because it was at EXPRESO that I began to come into contact with the country's problems and it was Mario Miglio, among others, who helped me to do so," the now minister says in an article entitled "Miglio: Recollections, Lessons..." published on 25 March 1989.

Now, in his ministerial office, between the million and one papers and telephone calls, he answers our questions. He confesses he supports the market economy, the multiparty system, representative democracy, and has confidence in perestroyka.

[Reyes Cestti] How does a socialist feel as a member of a liberalistic Cabinet?

[Sanchez Albavera] First of all, I should point out that the Cabinet is made up of independent individuals and, in my own case, as a member of the Socialist Left (IS), I do so on a personal basis. All of us are trying to establish the foundation for a great national consensus in order to solve Peru's major problems: the economic crisis and violence. Pacification will come by means of a redistribution of wealth, the creation of jobs and investments, and, above all, the promotion of regional development.

[Reyes Cestti] Why did you accept President Fujimori's invitation to become a member of the Cabinet?

[Sanchez Albavera] Because those of us in the Socialist Left have expressed the need for a national accord. That is why I accepted the invitation from the president, who also wants a consensus. This does not mean that the IS has made a pact with the government, for my personal commitment is to the country.

[Reyes Cestti] Does the IS accept perestroyka as its cornerstone?

[Sanchez Albavera] The IS is part of the great renewing currents of world socialism: the changes in East Europe, Felipe Gonzalez' contributions to the construction of modern socialism in Spain, Sweden's contributions to the formation of a more just society. But basically, national experience nourishes us and, along these same lines, confronted with a situation of national catastrophe, we are leaving aside all ideologies. We are taking up a very pragmatic conception as a way to resolve things. We must build the foundations of development on the principles of technology, honesty, and hard work.

From the social standpoint, I think that Change 90 and the Socialist Left have great possibilities of merging into a single unified movement. I think we are moving toward the same social base, to priority being given to agricultural development, and consequently, we can glimpse the possibility of organizing a great movement concerned with creating modern socialism.

[Reyes Cestti] One does not frequently hear socialists speaking in such pragmatic terms. For example, your comrades in the United Left use the same old rhetoric.

[Sanchez Albavera] As the popular saying goes, the United Left is more lost than a guinea pig in a set of pigeonholes. When the guinea pig comes out, he does not know which hole to go back into. Here, various political pigeonholes converge and the IU has obviously opted for the hole that is causing it to lose sight of reality.

[Reyes Cestti] Isn't that a rather harsh description?

[Sanchez Albavera] No. I simply think that that is the reality of the national leadership committee and yet, various lines do act with maturity, as is the case of the Socialist Affirmation Movement, which is demonstrating that it is a movement which believes in the long-term construction of a socialist society, unlike other parties that adopt demagogic positions and end up defending the indefensible. Instead of supporting a program that will lower inflation and enable workers to regain their purchasing power, after the Aprista [APRA, American Popular Revolutionary Alliance] disaster, they insist on assuming inappropriate positions. In that sense, the old saying is even stronger and more to the point.

[Reyes Cestti] But you certainly didn't think that several years ago!

[Sanchez Albavera] We have all gained in maturity as Peru has gradually fallen apart. To come back down to earth and break with fixed ideologies is essential. In the IU, we always said we would have to abandon myths and ideologies. Alfonso Barrantes represented precisely that belief within the IU option, starting a revolution among the socialists.

Moreover, we have become convinced that socialism is compatible with the multiparty system, representative democracy, and the market economy. We do not believe that socialism presumes a statist vision of society, which was the reason for the failure of socialist experiments in East Europe. The problem of underdeveloped countries is a problem of nations and not ideologies. Consequently, any movement capable of mobilizing all national energies around the great common tasks of all social classes will also be capable of achieving national development and that is the path we have chosen.

[Reyes Cestti] To hear you, one would think there is no difference between Fernando Sanchez Albavera and any FREDEMO [Democratic Front] candidate.

[Sanchez Albavera] The fundamental difference is that I represent no particular economic interest. I am a professional who lives off his salary, making an international career in public service. I feel absolutely independent and free of any kind of pressure. The FREDEMO was directly linked with major economic power groups, which must become accustomed to working in terms of a market economy. They proclaim themselves to be liberals ideologically and statists in practice. In contrast, Change 90 represents small businessmen whom the IS tried to win over, but whom it was incapable of rallying.

[Reyes Cestti] Did the IS fail as a popular alternative?

[Sanchez Albavera] We failed in the elections, but our program was not clear enough to attract the unorganized sectors. That is why I accepted Fujimori's proposal, since it was aimed precisely at helping the small businessman, who did accept Change 90.

[Reyes Cestti] But it did so through some demagogy because Fujimori first said he would not apply the shock treatment, then....

[Sanchez Albavera] No, Change 90 is doing what it promised: an adjustment with fairness. And what greater fairness could there be than the destruction of inflation, which is a burden borne by the poor. Furthermore, if we succeed rapidly, so much the better. And I will tell you that the government's wage policy will restore the worker's purchasing power. This is not a shock, but rather, I repeat, an adjustment with fairness.

[Reyes Cestti] But that is a play on words. The shock treatment or the adjustment with fairness yields similar results.

[Sanchez Albavera] Naturally, we can agree on the formulas, but not the dose. For example, the FREDEMO wanted an immediate release of the dollar. That is why those who thought that both programs were the same got burned. Speculators who were holding back dollars got burned. That is why, while there was a consensus on the type of medicine to be applied, there was disagreement on the doses and their frequency. This is what causes the authors of the FREDEMO program to criticize us.

You are right when you say the debate is not shock or no shock. What is important is whether the dose we have given the patient is right, and I think that all Peruvians have an interest in this. Members of Parliament have an enormous responsibility with respect to counseling, suggesting, and making contributions to the Executive Branch which can help Peru overcome the crisis.

[Reyes Cestti] Will the Cabinet go back on its proposals?

[Sanchez Albavera] Absolutely not. The success of the program requires determination, firmness, and stability, but we will adjust the dose to suit the social situation.

Uruguay

Gianelli To Be Vice President of UN Commission

PY2409190890 Montevideo Radio El Espectador Network in Spanish 1600 GMT 24 Sep 90

[Report from UN Headquarters in New York by (Jorge Reiner)]

[Text] Uruguay will hold the vice presidency of one of the main commissions of the 45th UN General Assembly—that is, the second commission that discusses economic and financial issues.

Carlos Gianelli, minister counselor of the Uruguayan mission to the United Nations, has been elected vice president of this commission. We will ask his views on Uruguay's election to this post.

[Begin Gianelli recording] The Latin American and Caribbean countries group elected Uruguay by consensus because our country for the past few years has played an important role in the economic, social, and financial discussions at the United Nations. I would like to point out that for many years Uruguay has not held an important post in the main organizations at the UN General Assembly. Therefore, I believe this election only ratifies the prestige that Uruguayan democracy enjoys in the international arena. [end recording]

Referring to the subjects to be discussed by the economic commission and which are of most interest to Uruguay, Gianelli added:

[Begin recording] [Gianelli] The international trade of agricultural goods, the foreign debt, of course, and environment preservation issues are the ones of most interest for Uruguay. In addition to these issues, this year we will probably discuss the impact of the Persian Gulf conflict and the developments in Eastern Europe on the socioeconomic development.

[Reporter] Can we expect a draft resolution that will benefit oil-importing countries?

[Gianelli] I still do not know what draft resolution might be submitted to the UN, but it is almost certain that it will refer to the protection of oil-importing countries that are truly affected by the oil price increases. [end recording]

Venezuela

Government Transfers Ambassador in Poland to Iraq

PA2509010090 Caracas EL NACIONAL in Spanish 10 Sep 90 p D-1

[Report by Nelson Rodriguez]

[Text] Venezuela has decided to transfer to Iraq Jorge Daher Daher, our present ambassador to Poland, so he may represent our country as charge d'affaires to the government of Saddam Husayn.

The Foreign Ministry recently entrusted Daher Daher, who speaks Arabic, with organizing the evacuation of the Venezuelans residing in Kuwait. The evacuation program was not carried out because of problems with Kuwaiti Ambassador Jose de Jesus Osio, who had to leave the embassy because of disagreements with Deputy Foreign Minister Adolfo Raul Taylhardat, just as the press has been reporting ever since he returned to Caracas.

Ambassador Daher Daher replaces Rafael Monsalve Castilla, the present ambassador to Iraq, who had expressed his desire to leave Iraq.

Guyana

UN Ambassador Urges Anti-Apartheid Vigilance

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[Text] United Nations, Sept 21, CANA—Despite reports of change in South Africa's "political landscape," the situation has gotten worse in the past year and the United Nations must maintain economic and other sanctions to force Pretoria to end its racial discrimination policies, a Guyanese diplomat has said. Samuel R. Insanally, Guyana's UN ambassador, charged that violence in South Africa and the strains between the white authorities and the anti-apartheid campaigners were "so severe" that it seemed futile to hold discussions at this stage.

"The United Nations must ensure that apartheid is given no quarter and that the full force of measures aimed at its removal is felt," he said. "In this context, the pressure of sanctions, which has clearly done much to induce whatever change may have occurred in South Africa, must be maintained."

He told the world body that the international community must be vigilant against any complacency at this time.

"Like any wounded animal, apartheid is now at its most vicious and dangerous," he remarked. "One cannot say what it will do next in the interest of its self-preservation."

Insanally said that although some observers considered the release of Nelson Mandela, the leader of the African National Congress; the suspension of the death penalty; the lifting of the ban and restrictions against political parties; and the introduction of measures aimed at improving the welfare of the black majority a "positive development," the fact was that blacks saw the changes as if not too late, certainly "too little."

The Guyana ambassador said that while there was much talk about changes, the "main pillars of apartheid" were still in place. Calling the steps taken so far by the government of President F. W. de Klerk as "half-measures" at best, Insanally said that removing the ban on political organizations without providing the necessary protection so they could function was an "empty" gesture. At the same time, he complained, South Africa has stymied the release of political prisoners by engaging in a protracted debate over definition of terms.